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JANUARY 4, 1958

foreign trade

CANADA

TWO-WAY TRADE WITH THE WEST INDIES (page three)

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CANADA

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cover Government House in Port-of-Spain, Trinidad, has become the temporary home of the first Governor General of the new West Indies Federation, Lord Hailes. Built in 1871, it is surrounded by 65 acres of beautiful gardens. In this issue, "Foreign Trade" takes a look at the federating colonies from the trading point of view. See pages two to nine.

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"The West Indies" Is Born

On January 3, 1958, one of Canada's Commonwealth neighbours achieved a new status, with the arrival in Port-of-Spain from London of Lord Hailes, the first Governor General of a new political union, The West Indies. Under an Act passed by the United Kingdom Parliament and given Royal Assent on August 2, 1956, Jamaica, Barbados, the Leeward Islands, the Windward Islands, Trinidad and Tobago federated as The West Indies. Late in March 1958 the first federal election will take place and in April H.R.H. Princess Margaret will open the first session of the Federal Parliament.

Canadians have followed closely the negotiations that began eleven years ago and have culminated in the birth of the Federation. This interest is a natural one because our association with the West Indian Islands began long before Confederation; by 1866, our trade with the islands justified the dispatching of a Canadian trade mission. Twenty-three years later a branch office of a Canadian bank was opened in Jamaica and today Canadian banks play an important role in West Indian finance.

Year by year Canadian ties with the islands have strengthened. During the war, when supplies from Britain were largely cut off, Canada filled the gap; when the war ended, the deferred demand for goods raised our exports to the British West Indies in 1947 to an all-time high. Since then, restrictions on dollar imports have made trading more difficult, but the federating colonies alone constitute a $39 million market for Canadian goods and the future, we hope, will see a further advance.

Recognizing this close commercial association between Canada and the West Indies, "Foreign Trade" is marking the inception of the Federation with three special articles. The first, written by an officer of the Department, looks at Canadian-West Indian trade, past and present, through the eyes of a Canadian. The second, contributed by the Trade Commissioner for the British West Indies, British Guiana and British Honduras, examines this trade and its possibilities with West Indian interests in mind and points up opportunities for Canadian investment in the islands. A third portrays in photographs the changing industrial scene.

We hope that these articles will give Canadian readers a picture of the Federation on its birthday and will encourage more businessmen to investigate the opportunities there and thus enhance a long-standing association.

Two-Way Trade with The West Indies

■ from the Canadian point of view

M. V. McCormick, *International Trade Relations Branch.*

CANADA has a long history of trade with the West Indies, stretching back well over 200 years. We have sold them principally flour, fish, other foodstuffs, and lumber; they have sold us sugar, molasses, lumber, spices and tropical fruits. In recent years the trade has taken on a more varied complexion: bauxite, alumina and petroleum have been coming to us from the West Indies and we have been sending them a wide variety of manufactured goods.

In the last twenty years this trade has grown in size as well as in scope. Just before the Second World War the total trade with the West Indies, both imports and exports, reached $33 million. By 1956, it had increased to $113 million, with our exports to the West Indies totalling $49 million and our imports from the islands $64 million. Figures for the first nine months of 1957 show exports to the West Indies at $35 million and imports from the West Indies for the first six months of 1957 at $40 million, a substantial rise over the 1956 figure.

Canada-West Indies Trade Agreements

The close trading relations between Canada and the British West Indies over the years are the result of several factors. The economies of the two areas are largely complementary and the areas themselves are not far apart, geographically speaking. In addition, three successive trade agreements have provided a framework for the building-up of this trade.

At the turn of the century, the British West Indies lost its sugar market in the United States and became interested in the possibility of selling sugar in Canada instead. At that time, total Canada-BWI trade had an annual value of less than $5 million and both sides wanted to increase it. This feeling, plus the desire for Empire solidarity within the Imperial Preferential Tariff system, paved the way for the first Canada-West Indies Trade Agreement of 1912.

The 1912 Agreement gave Canada preferential rates of duty of four-fifths of the general tariff on specified goods and provided that some British West Indian products, notably sugar, would receive corresponding preferential treatment in Canada. In 1920, this agreement was replaced by a broader one under which preferences applied to all dutiable goods on both sides, with a few exceptions. Canada gave the British West Indies a tariff preference of 50 per cent on all dutiable articles other than tobacco, cigars, cigarettes and spirituous or alcoholic liquors.

A third and more extensive trade agreement, the one now in force, was signed on July 6, 1925, and came into operation on April 30, 1927. This agreement

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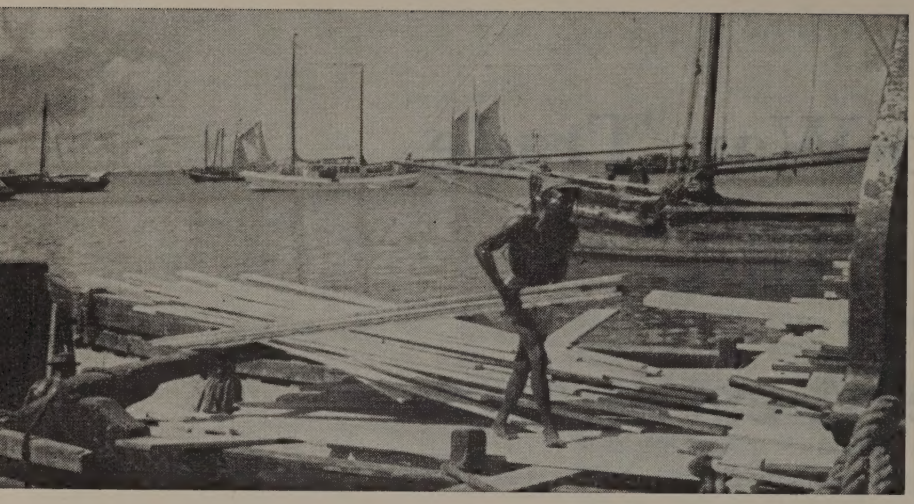

Forest products have long figured largely among Canadian sales to the West Indies; in 1956, these exports to the federating colonies reached about $2.7 million. The photograph shows Canadian lumber coming ashore from a scow in the harbour of Port-of-Spain, Trinidad.

broadened the exchange of preferences still further and made various special provisions for individual products and for individual colonies. It provided that import duties on Canadian products may not exceed certain percentages of the most-favoured-nation rates. These percentages vary in different colonies: for example, they may not exceed 50 per cent in Barbados, British Guiana and Trinidad, or 75 per cent in Jamaica. For a few other products—notably flour, dairy products, meat, fish, apples, potatoes and alcoholic beverages—specified margins of preference that were set forth in the agreement were granted to imports from Canada. In fact, virtually every product imported from Canada received some tariff preference.

For its part, Canada granted under the 1927 Agreement free entry to a number of British West Indian products and bound margins of preference on most dutiable imports, including sugar. The most important preference was that on raw sugar imported by refiners for refining in Canada. The bound margin of preference on 96-degree sugar was increased to $1.00 per 100 pounds under the 1927 Agreement, and other raw sugar imported by refiners received equivalent preferential treatment. Other important products on which Canada granted preferences were bananas, cocoa beans, rum, coffee and spices. In addition, Canada gave a general undertaking that the duty on all goods imported from the West Indies but not specifically enumerated in the Agreement would at no time exceed 50 per cent of the General Tariff of Canada.

This agreement was to remain in force for twelve years. However, because of the war it was renewed in 1939 for an indefinite period. It may be terminated on six months' notice.

Customs Union Planned

The negotiations for the West Indies Federation naturally included discussions on the economic, fiscal and other problems involved. One of these was the proposed establishment of a Customs Union for the federal area. To examine and report on this to the new Federal Government, a Commission on Trade and Tariffs was set up under the chairmanship of Sir William Croft. The Commission was to examine the problems involved in a Customs Union, bearing in mind the possible accession to the Federation of British Guiana and British Honduras, and to work out a scheme for this union to be implemented by stages, if necessary. It must submit a report not later than two years after the establishment of the Federal Government. Treaty relations of the West Indies with other countries, including Canada, will probably require some review and revision once the federated units decide on the form and nature of the Customs Union. The Commission may submit its report in 1958.

Dollar Import Restrictions

Without the various trade agreements and particularly the one now in force, it is doubtful whether Canada-British West Indies trade could have become as important in either volume or composition as it is today. However, Canada in recent years has found obstacles in the path of its exports to the British West Indies. These territories, in common with many other non-dollar countries, have maintained restrictions against dollar imports in order to preserve the balance of payments of the sterling area. These restrictions, however, have been liberalized somewhat in recent years through the establishment of the British West Indies Trade Liberalization Plan and the freeing of some basic products from import licensing restrictions. Naturally, Canadians feel it is most desirable that this liberalization continue.

The Trade Liberalization Plan was introduced in 1951 in order to keep the British West Indies market open for Canadian products, and particularly manufactured

goods, at least in token quantities. In 1952 the list of commodities which could be imported under the Plan was extended and the quotas increased. The Plan is still in effect. (An article dealing in greater detail with the British West Indies Trade Liberalization Plan will appear in a subsequent issue.

In addition to the Liberalization Plan, the British West Indies have in recent years placed a number of additional products under world open general licence, thus allowing them to be imported from any country without restriction. Products of interest to Canada under world open general licence include meat, onions, split peas, fish (except fresh and frozen), kraft paper, newsprint, tobacco and apples.

Federation's Financial Position

The West Indies constitution provides that the Federal Government shall, during its first five years, obtain its revenue from profits on the currency issue and from a mandatory levy on unit governments. It also gives the Federal Government concurrent legislative power to raise revenues by means of excise and customs duties.

The United Kingdom Government has undertaken to increase its contribution to the cost of constructing the federal capital from £500 thousand to such sums as may be required up to a maximum of £1 million. It has also agreed to make an annual grant for the next ten years to help unit governments that are unable to balance their budgets.

Meetings of Canadian and West Indies officials were held in Ottawa in September 1957. At these meetings the West Indian representatives reviewed economic development in the area and indicated ways in which Canada might assist the new Federation.

All Canadians undoubtedly hope that the West Indies Federation will be vigorous and prosperous. It seems probable that the commercial and other links which have bound Canada and the West Indies together over the years will continue and become stronger. And, as the federation becomes established and as individual territories join together in closer economic association, there will be further opportunities for the building-up of the trade which both countries have found so profitable. ●

■ from the West Indian point of view

REX STOLLMEYER,
Trade Commissioner for the British West Indies, British Guiana and British Honduras, Montreal.

ORIGINALLY trade between the British West Indies and Canada was confined within narrow limits and was carried on almost entirely with the Maritime Provinces. The products of the estates—sugar, molasses and rum—were exchanged for Canadian fish, vegetable and forest products. Then as now, Canada was making its contribution to the development of the West Indies and West Indians, in a spirit of reciprocity, were offering cheer to their neighbours in the chilly north.

Following the 1925 Trade Agreement, the trade between the two areas grew substantially. In this growth the Canadian National Steamships, established after the Agreement called for frequent and regular shipping connections, played a valuable role, carrying north quantities of almost all products of the British West Indies: angostura bitters, arrowroot, asphalt, bananas, bauxite, chicle gum, citrus fruit, cocoa, coconuts, coffee, essential oils, fruit juices, honey, molasses, petroleum products, rice, rum, salt, vanilla, sugar, tomatoes. By 1939 Canada had become the second most important market for BWI products after the United Kingdom, and in turn a major supplier of such things as fish, flour, fresh and processed meats, dairy products, lumber and paper products, in addition to an ever-widening range of manufactures.

War Changes the Pattern

The war years and their aftermath brought changes to and readjustments in the pattern of Canada-British West Indies trade. The major vessels of the C.N.S. fleet fell victim to hostilities or obsolescence and were replaced by smaller ships with less low-temperature capacity—a circumstance which contributed to the elimination of the BWI trade with Canada in

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Bauxite and alumina are beginning to assume an important place among Jamaica's exports to Canada; three companies now carry on the mining of bauxite. Here a Jamaican operates one of the big scraper-carriers that are used to transport bauxite from the mines to the storage shed.

bananas, citrus fruit and tomatoes. Inadequate shipping on the one hand and aggressive selling policies on the other have exposed West Indian exporters to competition from the United States as well as from the Central American and Caribbean republics in bananas, citrus fruit and juices, sugar, molasses, rum and coffee. At the same time, the territories have found it advantageous to enter into long-term price contracts with the United Kingdom for the sale of bananas, citrus products and coffee. Moreover, changes in technology and consumer preference have cut down Canadian purchases of certain products, especially chicle and coconuts.

Investments by the Canadian aluminum industry, however, have contributed to national income in British Guiana and Jamaica and resulted in bauxite and alumina assuming an important place among their exports. By and large, these newer exports have managed to offset the deterioration in sales abroad of many of the traditional agricultural products.

Imports from Canada into the British West Indies were, of course, seriously affected when import restrictions went into force in 1951. The BWI Trade Liberalization Plan has given Canadian exporters some leeway but a substantial amount of restriction remains. Despite this obstacle, the BWI, British Guiana and British Honduras bought about $43.3 million worth of Canadian goods in 1956 and sold $63.1 million worth to Canada.

Future of Trade

Prospects for greater trade between the two areas depend on a variety of factors. With a few minor exceptions, there are no obstacles to the admission of British West Indian goods into Canada. Nevertheless, British West Indians would welcome the opportunity to buy more from Canada than they do now. Generally speaking, the territories are low in productivity, with exports covering a narrow range of major products such as sugar, bananas and petroleum; this limits their capacity to expand exports. If prospects for greater Canadian sales to the BWI depend upon progressive liberalization of imports by the British West Indies, British West Indian prospects for larger exports to Canada bear a direct relationship to the degree of economic development that takes place in the Federation during the next few years.

The act of federation cannot be expected to cure the territories' economic ills, but it is expected that the wider market afforded by a Customs Union after integration will help towards greater efficiency both in local industries and those concerned with export trade. Steps must be taken to expand the range of export commodities, with emphasis away from raw materials and on processed or semi-processed products. Apart from other developments which will contribute to improvement, emigration of British West Indians to Canada will stimulate export of many minor products, chiefly processed foods, which it would be difficult to introduce to the Canadian market under normal conditions of promotion and sale.

Investment Incentives

Over-riding requirements for a viable West Indian economy, (itself a prerequisite for autonomy) are capital and know-how. Currently the territories are making efforts of varying degrees of intensity to improve their agriculture, to encourage industrial development, and to stimulate the tourist trade. In the two latter fields, greater attention is being given to attracting capital from overseas. Several inducements are being offered to investors in industry. All the territories allow new or under-developed industries periods of freedom from income tax ranging from five to seven years, with duty-free import of plant,

equipment and machinery for such "pioneer industries". In addition, some territories, notably Trinidad, offer special rates of depreciation following the "tax holiday"; these are calculated to ease the impact of income tax. Jamaica goes farther, with an Export Industry Encouragement Law which affords duty-free entry of raw materials in addition to the usual income tax and duty concessions to companies manufacturing solely for export. An International Business Companies Law provides perpetual freedom from income tax for business companies not trading in the British West Indies, British Guiana and British Honduras.

There are other incentives too. Arrangements exist for the repatriation of capital and dividends. There is special machinery for assistance to prospective investors to help them in locating factory sites, recruiting labour and contacting sources of local capital. There are labour training facilities and programs. Jamaica maintains an Industrial Development Corporation with capital resources of its own, empowered to invest in industrial undertakings independently or in association with other investors. The Corporation has a branch office in New York serving the eastern Canadian region. Other territories—Barbados, British Guiana and Trinidad—have similar but less specialized organizations to promote industrial development. Special legislation has also been passed to encourage mineral development, particularly in British Guiana. This area is rich in bauxite, has a new manganese industry, and has been exporting diamonds and gold for many years. Finally, some of the territories—notably Jamaica and Trinidad—have industrial estates on which manufacturing sites are available at nominal rental rates.

Tourist Industry Offers Opportunities

The tourist industry has become a major source of revenue, and particularly of dollars, for the British West Indies as a result of the great number of Canadians and Americans visiting the islands. Prospects for expansion are excellent. Promotion programs are constantly under way to increase the flow of tourists throughout the year. The tourist interests of all the territories are represented by the Office of the Trade Commissioner in Montreal—with the exception of British Guiana, which has separate representation, and Jamaica, which maintains a tourist bureau in Toronto.

Recent years have brought great pressure on resort facilities in the British West Indies. Local investment in tourist accommodation has increased and considerable overseas capital has come into Jamaica and, to a somewhat lesser degree, into Barbados and Trinidad. The pace of investment in the area as a whole, however, has not been quick enough and some of the territories have passed incentive legislation aimed at encouraging it. Generally speaking, this legislation offers freedom from income tax during initial stages of operation, plus freedom from import duty on capital equipment. Three territories—British Guiana, Jamaica and Trinidad—publish attractive booklets describing development conditions and outlining inducements for investment in industry and the tourist trade.

The Role of Canadian Investment

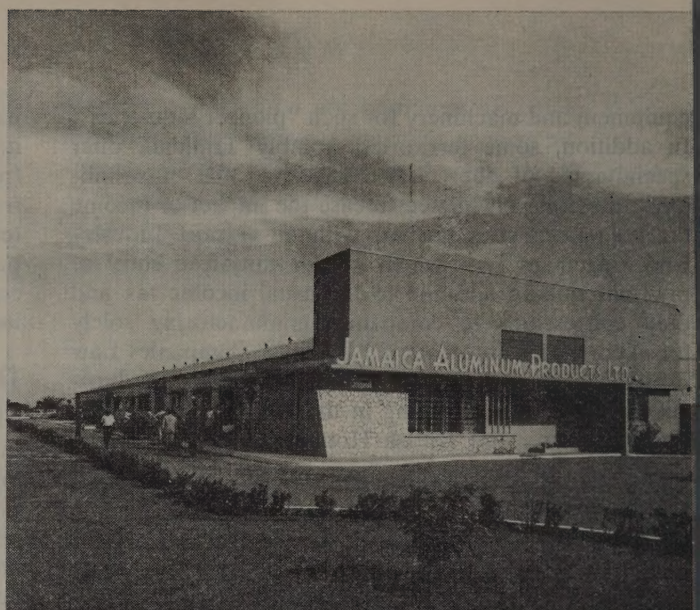
The hope that Canadians will avail themselves of investment opportunities and incentives in the British West Indies is based on three factors. In the first place, Canadian investment will contribute to Caribbean development and this in turn will increase trade and West Indian purchases of Canadian exports. Second, investment in the West Indies has particular advantages for Canadians. Hitherto, investment in the small, fragmentary markets has not been attractive. Under customs union and free trade conditions in the next few years a British Caribbean market of three million will emerge, a circumstance which is already stimulating investment interest. Branch plants in the Caribbean could serve as bases for distribution within the area and to the adjacent Latin American countries. More important, plants established in these soft currency territories could serve other Commonwealth areas without encountering the currency problems faced by home-based Canadian exporters. Another approach would be for semi-finished products to be sent to plants in the area for the final stages of manufacture.

Second, the tourist potentialities of the area are far from fully developed and in some territories are almost completely unexploited. There is room in the British Caribbean tourist industry for large-scale as well as small-scale investment, in projects ranging from deluxe hotels to modest guest-houses.

How Canada Can Help

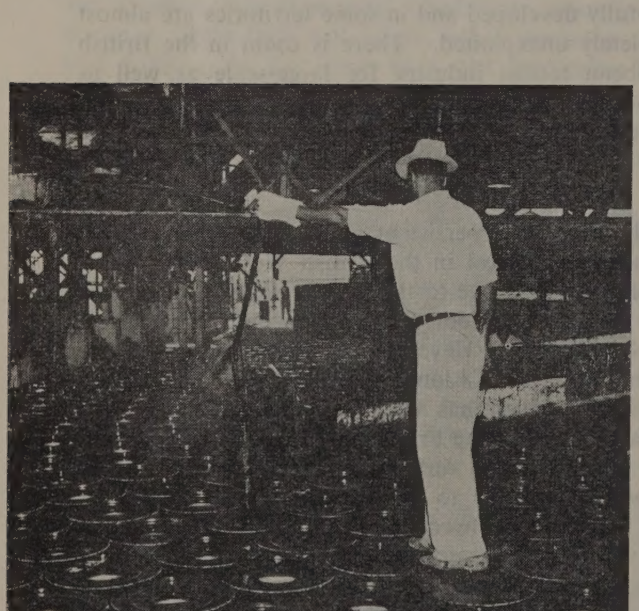
Finally, there is a persistent and considerable amount of Canadian interest in the British West Indies which has always lent grace to the trading relationship. The West Indies hopes soon to be the second Dominion in the New World, a development which ought to lead to a maturing of this long-established and reciprocated sentiment. Much has been said about the complementary nature of the two economies from the point of view of both trade and investment. Nothing could be more conducive to Canada-West Indies solidarity than that trade between the two areas should grow. This will require greater West Indian purchasing power through development. And Canada could contribute to that development through sustained imports from the area, an inflow of tourists, and the injection of investment capital in industrial development and the tourist trade. ●

A good part of Jamaica's citrus crop (which totalled about one million boxes in 1956-57) today is processed into concentrated juice, using machinery like this. Jamaica has a ten-year citrus contract with the United Kingdom Ministry of Food.



Jamaica is making a strong and successful effort to set up new indu Last July this modern, £160 thousand plant was opened; it will aluminum windows and doors, chairs and tables, luggage racks, k utensils, and other products to be sold locally and in Caribbean ma

How West Indians Earn Their Living



Trinidad's famous Pitch Lake near La Brea constitutes the world's chief supply of natural asphalt; about 43,000 tons were exported in 1956. Here asphalt cement refined from Lake asphalt and fluxed goes from stills to steel containers.

Trinidad draws over 75 per cent of its export income from petroleum petroleum products and the oil industry contributes every year a 36 per cent of the Trinidad Government's revenue. Here oil is b loaded aboard a large tanker for direct shipment to markets over

sacks of sugar piled up on the docks at Bridgetown ready for ship-
llustrate how much Barbados depends on the sugar industry for its
ood. Production in 1956 reached 151 thousand tons and sugar and
oducts provided about 93 per cent of the island's total exports.

—G. Gidion.
Bananas from the West Indies first reached Britain in 1901 and most of the crop still goes there. Jamaica is the largest producer, followed by the Windward Islands and Trinidad.

e West Indies has built its export trade upon sugar, bananas, citrus, coffee and other
icultural products and on petroleum. Today the islands are making strenuous efforts to build up
ier industries and to turn out processed and semi-processed goods for Caribbean markets
l ultimately for sale farther afield. The pictures on these two pages were chosen to show
h the traditional and the new ways in which West Indians earn a livelihood.

e and alumina figure largely today among Jamaica's exports; some
illion tons of bauxite and 207 thousand tons of alumina were shipped
6, compared with 1 million and 28,731 tons respectively in 1953.
icture shows the bauxite coming by conveyor to the stockpile.

The small island of St. Vincent, in the Windward group, produces most of the world's supply of arrowroot; sold over nine million pounds abroad in 1956, about 478 thousand to Canada. Here a worker tends the arrowroot starch in a "drying house".

Commodity Notes

Aluminum Wire and Cable

PERU—Indeco S.A., Lima, producer of copper cable and wire, is installing machinery for the production of aluminum cable and wire for high-tension power lines. Production will begin this year. The company was formed by Peruvian capitalists with the participation of the Cerro de Pasco Corporation—Lima, Dec. 8.

Automobiles

SWEDEN—The Swedish automobile company AB Volvo estimates its total production in 1957 at 60,000 units, of which 24,000 are for export. In 1958 AB Volvo plans a total production of 72,000 units—32,000 for export, mainly to the United States and Canada. Volvo is aiming at a production of 100 thousand cars per year, the most profitable figure. When this is reached, it is estimated that more than two-thirds of production will go to export—Stockholm, Dec. 3.

Barytes

AUSTRALIA—A £150 thousand plant to treat barytes—a mineral in world demand for industrial and atomic uses—was opened at Quorn, South Australia, last October. The plant has been built for SA Barytes Ltd., which has been developing the barytes mine 60 miles northeast of Hawker for 11 years. The mine, which is on the site of the only major high-grade deposits of barytes in Australia, will begin with an output of 10,000 tons of milled barytes a year, rising to 15,000 tons later—Melbourne, Dec. 7.

Bauxite

AUSTRALIA—A Canadian company is negotiating with the Queensland Government for authority to mine and export bauxite from Queensland's Cape York Peninsula to its refining works. Areas are being surveyed in the Peninsula to see if the quality of the ore warrants establishing a Canadian mining organization in Queensland.

Reynolds Metal Company has incorporated a subsidiary in Australia capitalized at $10 million to search for bauxite deposits. The company hopes to be successful in acquiring substantial bauxite deposits and other raw materials to justify establishing an integrated aluminum industry in Australia—Sydney, Dec. 2.

Beam Therapy Units

VENEZUELA—The Venezuelan press has given ample coverage to the arrival and installation in Caracas of two Canadian-made beam therapy units. One of these, a large Theratron unit, has been installed in the Bs.60 million Hospital Central de las Fuerzas Armadas (Military Hospital) now under construction. The second unit, a Theratron Junior, is for the Instituto Oncologico of the Venezuelan Ministry of Health and Social Welfare. An order has just been placed for a third unit, another Theratron Junior, for the Policlinica Caracas—Caracas, Dec. 6.

Gold

SOUTH AFRICA—Gold production in October was the third highest on record both in quantity and value. The production of 1,456,207 ounces (or an increase of 17,851 ounces over the September output) was valued at £18.148 million, a gain of £138,568 over the previous month. The all-time record established in July was 1,497,439 ounces valued at £18.5 million (gold at £12.10.4 d. an ounce); August production amounted to 1,459,794 ounces valued at £18.3 million (at £12.10.11d. an ounce)—Johannesburg, Dec. 5.

Hessian

URUGUAY—A new industry has been inaugurated here—the manufacture of hessian from imported jute. Supplies of hessian, of which this country is a fairly large importer, come from India and are reported to have a value of approximately US$4 million a year.

The new company, which operates under the name of SAYCA, was set up with a capital of Urug.pesos 8 million and occupies 18,000 square metres of land of which 8,500 square metres are in factory construction. It will commence production with 200 looms with a capacity of 75,000 metres per 24 hours and hopes to produce 50 per cent of the country's present requirements, thereby saving an estimated US$2 million a year—Montevideo, Dec. 4.

Iron Ore

VENEZUELA—Orinoco Mining Co. plans to extract and export 15 million tons of iron ore during the year 1958. This compares with an estimated 12 million tons for the present year. During August 1,503,379 tons, a new monthly high, were exported, bringing the total for the year to 7,481,637 tons. Reserves of iron ore for future exploitation are said to be greater than the combined deposits being worked at present —Caracas, Dec. 4.

Olive Oil

PORTUGAL—Olive oil prospects are encouraging. Production in the season 1955-56 was abnormally low and measures to control consumption were introduced; these were eased but not abolished when 1956-57 production proved better. The 1957 crop is conservatively estimated at 110 million litres, which exceeds the annual consumption (90 million) of Portugal and the Portuguese Overseas Territories. All restrictions governing production, sales, declaration of stocks and movement of olive oil have therefore been abolished and 2,500 tons are to be set aside for canning for export—Lisbon, Dec. 17.

Pulp

SWEDEN—The Uddeholm Company of Sweden is planning to build a groundwood mill near the site of the sulphite mill that was destroyed by a landslide in June 1957. The new mill, to be completed by 1959, will have an annual production of 40,000 tons dry weight of wet mechanical pulp. Building costs will reach about $2 million—Stockholm, Dec. 9.

Scrap Metal

NEW ZEALAND—Freight rate increases of up to 91 per cent have dealt a severe blow to New Zealand's export trade in scrap metal which last year was worth about £1,000,000. The increased charges imposed on metal shipped on Conference Line vessels are expected to raise the annual freight bill from £65,000 to £389,000. Specifically the increases are 33⅓ per cent on loose steel scrap, 90.7 per cent on baled steel scrap, and 90.7 per cent on baled tin clippings. Most shipments of baled material go to the United Kingdom and Europe and the bulk of the loose scrap goes to Japan—Wellington, Dec. 4.

Steel

BRAZIL—Installation of facilities for the production of silicon steel has been completed at the plant of Companhia Acos Especiais Itabira (ACESITA) in the state of Minas Gerais. The new installation is designed to meet domestic needs and is expected to result in savings of three million dollars a year on imports—Rio de Janeiro, Dec. 6.

FRANCE—Construction will begin shortly at Dunkirk of France's first seaboard steel centre. The rated capacity of this mill will be 500 thousand tons of steel a year.

Total steel production in France has increased from 4.4 million metric tons in 1946 to a record of 13.4 million metric tons in 1956. When the new plant comes into production, plus expansion plans now under way in operating mills, it is expected that French production will reach 17 million tons by 1961—Paris, Dec. 2.

Synthetic Rubber

ITALY—The largest petrochemical factory in Europe being erected near Ravenna in Italy is expected shortly to be producing synthetic rubber and nitrogen fertilizers. The initial output is estimated at 35,000 tons per year and annual production will eventually reach 55,000 tons. With the operation of this factory Italy is expected to attain fourth place—after the United States, the Soviet Union, and Canada—in the world production of synthetic rubber. The production of azote fertilizers is to begin in the spring of 1958, and will total between 600 and 650 thousand tons per year. The most important raw material used is methane gas which abounds in the district. This plant has been built by the Italian company ANIC at a cost of 60 billion lire on an area of 212 hectares—Rome, Dec. 5.

Wattle

SOUTHERN RHODESIA—Southern Rhodesian production of wattle was recently doubled with the opening of a second factory costing almost $1 million. Total production of wattle extract in the country will now reach 13,000 tons a year. All the extract is exported and the value is over $2 million a year. Most of this goes to the sterling area but there are considerable exports to the dollar area as well. Southern Rhodesia has many thousands of acres of planted wattle trees and expansion is expected to continue—Salisbury, Dec. 12.

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South Africa Buys Canadian Nylons

Despite a sharp drop in sales, South Africa is still Canada's leading export market for nylon hosiery. To hold this market in the face of fierce competition, Canadian manufacturers may have to consider setting up branch plants in the Union.

I. V. MACDONALD,
Assistant Trade Commissioner, Johannesburg.

IF YOU ARE an export-minded Canadian manufacturer of nylon hosiery for women, you have probably watched with concern the falling sales in Canada's traditional Commonwealth market for this product, the Union of South Africa. Sales of Canadian nylon hosiery in the Union which reached a high of over $2 million in 1948 fell in 1956 to a low of just $131 thousand and continued to drop in 1957.

Effect of Import Control

Briefly, the story behind the South African market is this. The outbreak of the Second World War interrupted a sharp upward trend in sales of Canadian hosiery to South Africa, which exceeded 300 thousand dozen pairs a year for the first time in 1939. The trade was resumed immediately after the war and by 1948 the South African market was again absorbing Canadian nylons at the annual rate of 185 thousand dozen pairs, worth more than $2 million at the higher prices then prevailing. By 1948 the "Made in Canada" label was one of the best selling points and a number of Canadian brand names had recovered the goodwill lost during the war years. Ironically, it was this brisk sale of imports into South Africa in the year 1948 that led to the imposition of import and exchange controls. The result: a drop of 82 per cent in the volume of imports of Canadian nylons in the following year.

Import control which discriminated against dollar suppliers until January 1953 severely restricted the supply of Canadian hosiery for South African consumers and was primarily responsible for lessening goodwill and loyalty to Canadian brand names. This in turn enabled new competitors to succeed in the market. Today however import control is no longer an important factor in determining the origin of hosiery imports.

Domestic Industry Grows

But import control is not the whole story. New domestic manufacturers (the first of whom set up a plant in 1950) foresaw that they could ensure a continuing demand only through building up consumer preferences for domestic brand names. As a result they embarked on advertising campaigns during the early years of import control which Canadian competitors could not match. Price was also a factor and assumed greater importance as the long-term scarcity of nylon hosiery was gradually overcome. The hesitation or inability of some Canadian manufacturers to lower their prices in more recent years has been costly in terms of sales volume. The following figures show the postwar export trend:

Since 1950, South Africa has been making more of its nylons and relying less upon imports. Here workers are busy pairing stockings in a plant in East London, Cape Province.

POSTWAR CANADIAN NYLON HOSIERY EXPORTS TO SOUTH AFRICA

Year	*Value* $	*Quantity (Dozen pairs)*
1946	1,157,719	113,276
1947	1,968,200	178,921
1948	2,031,465	185,224
1949	367,241	32,915
1950	234,617	22,902
1951	451,238	38,567
1952	253,721	23,735
1953	201,063	19,971
1954	222,120	22,901
1955	228,192	24,644
1956	131,006	14,625
1957 (7 months)	36,127	4,600

Competition Becomes Severe

Despite growing domestic output, South Africa is still the world's best export market for nylon hosiery and per capita consumption among the European population is said to be the highest in the world. United States exporters—who rate South Africa as their first overseas market—have a commanding lead over all other suppliers, followed by the United Kingdom, Japan and Germany. Canada dropped to fifth place in 1956 and probably even lower in 1957. The following table shows the exact quantities and values of nylon hosiery imported into the Union from all sources during 1955 and 1956.

IMPORTS INTO SOUTH AFRICA

	Year 1956		*Year 1955*	
	(doz. prs.)	*Value £*	*(doz. prs.)*	*Value £*
United Kingdom	94,661	295,592	100,162	353,186
Canada	11,480	43,849	24,078	98,041
Australia	255	721	.....	.....
Hong Kong	1	1	.....	.....
Rhodesia and Nyasaland	.....	.....	12	63
Hungary	3,455	4,647	1,200	2,068
Czechoslovakia	1,244	1,809	195	372
Finland				2
Austria	355	1,027	190	559
Belgium	.....	1	28	65
Denmark	262	582	.....	1
France	8,842	32,734	4,133	20,289
Germany	19,059	36,765	10,906	28,929
Netherlands	27	74	17	66
Italy	2,916	6,047	1,767	4,308
Spain	3,281	5,394	410	694
Sweden	.....	.....	.....	1
Switzerland	284	718	30	104
Japan	57,642	99,767	4,370	12,481
United States of America	506,349	1,298,740	577,769	1,724,752
Israel	9,039	22,564	2,203	6,315
Total	719,152	1,851,032	727,470	2,252,296

The most significant development in the present year is the continued gain by Japan and Israel in the face of declining over-all imports. Success of Japanese mills stems almost entirely from their very low prices which have so stimulated the demand that delivery terms have had to be extended considerably. Furthermore, the quality of Japanese hosiery has steadily improved, according to South African importers, and it is clear that the Japanese are striving to make further progress.

Spain also quotes very low prices in this market but has not yet gained a reputation for consistent quality—a handicap which applies also to some Eastern European countries and which probably precludes any substantial improvement over their 1956 exports. West German quality remains good and, with recent substantial price reductions, their share of the market is fairly well assured. As might be expected in the women's fashion trade, France has a valuable psychological advantage over competitors and this, combined with excellent quality and advertising, brought a doubling in French sales volume in 1956 despite relatively high prices.

How Prices Compare

As a result of tight money, more careful consumer buying habits, and the absence of effective advertising and promotion to counteract these, it is no longer possible for Canadian-manufactured nylons to command a significant price premium in South Africa, *except in very limited quantities.* On the other hand, the goodwill from earlier years and the acknowledged high quality of Canadian hosiery, combined with favourable tariff treatment (the tariff rate is normally 10 per cent on hosiery from the United Kingdom, Canada and Ireland, and 15 per cent from other sources), means that Canadian suppliers do not have to meet the lowest world prices quoted by competitors for similar qualities.

Because of the instability of the market, it is impossible to quote authoritatively a full range of latest competitors' prices. However, the following data may be of some value as a guide: prices for 51/15's first quality range all the way from about $4.65 (F.O.B.) per dozen pairs to about $9.50 for top United States brands. Lower qualities, seconds, etc., (which incidentally can be labelled according to customer's specifications) are reported as being offered at prices as low as US$3.30, F.O.B., tissue wrap, export packing extra. Twin-thread hosiery is offered at $9.50, with lower prices for unbranded merchandise. Lowest price reported for regular quality nylon hosiery 51/15's is $3.78 C.I.F., quoted by an Italian mill.

Japanese prices for good-quality 51/15's are reported to be about $4.86 (up from $4.53 at the end of last year), with lowest Israeli and Spanish prices in the same range, at about $4.72 C.I.F. Seamless, plain and mesh, which is becoming very popular in this country, is offered by Denmark at $5.80 and $6.48 respectively and by the United Kingdom at $6.75 and $7.15. In regular hosiery, buyers prefer dark seams.

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United Kingdom brands of seamless, 400 needle 15 denier, sell at $9.72 F.O.B. and terylene hose is offered at about 20 per cent less. Probably the most expensive nylon hosiery on the South African market is that bearing the Dior label—it retails at up to $2.84 per pair.

South African mills have incurred heavy advertising expenditures and are therefore obliged to quote higher prices which take full advantage of transport, tariff and commission expenses which face the imported product. They have not yet attempted to compete in price with the cheaper imports. Local factory prices to retailers are said to be $9.05 per dozen pairs for both 51/15's and 51/30's, and $11.88 for 60/12's, which is comparable to the price for 60/15's quoted by American manufacturers of well-known branded lines. (More complete information on current prices may be obtained by writing to the Trade Commissioner in Johannesburg.)

In terms of sales volume if not of profits, the nylon hosiery mills already established in South Africa have been very successful. The newer firms yet to come into production will probably face a somewhat less receptive market but they feel their future is reasonably well assured. Canadian firms may well find that establishment of branch hosiery mills in South Africa is the only solution if Canadians are to share in the South African market over the long term. This will be true especially if the application for a higher protective tariff, now under consideration, is granted.

Tariff May Be Increased

It is not possible to predict whether the present application will result in a higher tariff nor whether a new rate, if adopted, will apply to one or all countries. Application for a higher tariff was made by the hosiery industry about two years ago and it was turned down. The criteria used by the Board of Trade and Industries in processing applications of this nature are: one, is the industry economic in South Africa? Two, is it in the country's interest to assist it? Three, is protection necessary to ensure normal development? But even if the requested tariff revision does not take place, there is already statutory provision for the Minister to invoke a suspended duty of 10 per cent if this action is suggested by the Board of Trade and Industries. Already five foreign companies are in production and at least two more are under construction.

Statistics on the volume of domestic production are not available but output probably totals about 500 thousand dozen—about equal to anticipated 1957 imports. The largest domestic manufacturer at present is Berkshire Knitting (South Africa) Limited which accounts for more than half of total local production and is running at capacity. Kayser is probably producing about 125 thousand dozen a year, a volume which will be equalled by Burlington Mills when its machine come into operation.

Branch Plants Are One Solution

It is not too late for an efficient Canadian entry into the South African hosiery industry and the anticipated increase in domestic hosiery sales promises at least an adequate return on capital. Canadian industrialists interested in the manufacturing prospects in South Africa would be well advised to study production and market conditions at first hand, following preliminary advice from their present agents in this country and/or the Canadian Government Trade Commissioner Service at Johannesburg and Cape Town. In considering whether a hosiery manufacturing operation in South Africa would be profitable, it should be borne in mind that there is a great potential demand, as yet largely untapped, from the large native population of South Africa and the Central African Federation. (South African manufactured nylons enter the Federation at a 10 per cent duty, compared with 25 per cent on Canadian and United States hosiery.)

A Time for Reappraisal

The year 1957 may well be the last opportunity for Canadian mills to reverse the declining sales trend in South Africa and to rebuild the favourable reputation which meant such large-scale turnover in the past. More successful sales, as I see it, depend upon:

- Revision of prices to a more competitive level, especially for unbranded "price" lines.
- Advertising.
- Co-operation with the South African agent to ensure maximum promotion.

For Canadian firms whose brand names are still known in this market and who are considering the possibility of manufacture, it is particularly important that the imported product be kept before the public until the hosiery can be made available from local production. Similarly, Canadian mills entering the South African market for the first time and considering the establishment of a branch plant here would be in a better position to evaluate market prospects after an initial introduction of imported lines.

Naturally, an investment of this type involves a certain element of risk because it is not possible to foresee fluctuations in the market and in feminine taste or changes in the policies of competitors. However, efficiency would eliminate most of these risks. Imports of nylon hosiery will continue in large volume during the short-term future, but at a diminishing rate. Only Canadian mills in a strong competitive position will be able to retain or expand their share of what has been, till now, Canada's best export market for nylon hosiery. ●

Banking Abroad

Turkey

A. B. BRODIE, *Commercial Secretary, Athens.*

THE NUMBER OF BANKS operating in Turkey surprises most Canadian businessmen who visit the country for the first time. Along the 15-mile bus route from the Yesilkoy airport to Istanbul, gaily coloured scotch paint advertisements of more than ten different Turkish banks suggest to the visitor what bank to head for should he have any problems. Indeed, there are so many of these brilliantly coloured posters that the businessman becomes immediately interested and curious about banking activities.

Some 57 banks with more than 1,355 branches altogether and with a nominal capital of T£3,157.9 million were operating in Turkey at the end of 1956. An official summary of these banks is given below.

One new commercial bank—the Raybank—was formed in 1956 with a nominal capital of T£4 million; T£1 million was paid up on December 31, 1956. In 1956 the over-all paid-up capital and reserves of the commercial banks increased by T£27.4 million and T£15.4 million respectively over the previous year.

With the withdrawal of the Commercial Bank of the Near East Ltd., the number of foreign banks operating in Turkey in 1956 fell to six but the number of branches increased by two. There was a net decrease of some T£100 thousand in the nominal and paid-up capital of the foreign banks but their over-all reserves rose by T£1.3 million. The six foreign banks in order of operating seniority in Turkey are: The Ottoman Bank, The Bank of Salonica, Banco di Roma, Banca Commerciale Italiana, Hollandsche Bank Uni n.v., and The American Express Co., (whose operations are limited to dealing in foreign exchange).

The banks which have been created under special laws (for example, the Agricultural Bank of Turkey, the Sumer Bank, the Eti Bank) increased their branches by 36 and their over-all paid-up capital and reserves by T£148.9 million and T£21.2 million respectively during 1956. The Industrial Development Bank of Turkey—which was created in 1950 by the Turkish Government, private Turkish interests, and the International Bank for Reconstruction and Development for the purpose of encouraging industrial expansion—increased its reserves by T£1.7 million. The profit and loss figures for the 57 banking establishments showed total profits at T£160.2 million and losses at T£26.7 million. Broken down, these figures are:

	1956	*1955*
PROFITS	*T£ million*	
1. Banks constituted under special laws	122.2	122.7
2. Industrial Development Bank of Turkey	5.0	4.8
3. Commercial banks	23.0	25.8
4. Regional banks	1.6	1.8
5. Foreign banks	8.4	4.6
Total	160.2	159.7
LOSSES		
1. Banks constituted under special laws, (Denizcilik Bankasi—Maritime Bank)	15.2	9.1
" " b/f from previous years	8.8	....
3. Commercial banks	1.7	0.5
" " b/f from previous years	0.5	0.7
4. Regional banks	..	0.3
" " b/f from previous years	0.3	....
5. Foreign banks	0.1	0.1
" " b/f from previous years	0.1	....
Total losses	26.7	10.7

Rate of exchange: $1(US)=T£2.80.

CATEGORY	*No.*	*No. of branches* agencies & offices*	*CAPITAL Nominal*	*CAPITAL Paid-up*	*Reserves*
			T£ millions		
1. Banks constituted under special laws	11	670	2,926.0	1,350.0	254.6
2. The Industrial Development Bank of Turkey	1	1	25.0	18.7	2.2
3. Commercial banks	20	606	175.0	130.0	101.4
4. Regional banks	19	26	18.1	16.0	2.0
5. Foreign banks	6	52	13.8	13.8	15.2
Totals	57	1,355	3,157.9	1,528.5	375.4

*Including head offices. The Central Bank of Turkey is *not* included in the above table.

Peru's Fisheries Prosper

With the largest catch in Latin America and a growing processing industry, Peru's fishermen foresee further expansion, despite stiff competition in foreign canned-fish markets.

D. H. CHENEY,
Commercial Secretary, Lima.

PERU TODAY has the largest fisheries catch in Latin America, displacing Chile, the former top producer. Last year Peruvian production reached 267,286 gross metric tons[1]—a 46 per cent gain over the 1955 figure —valued at 264 million soles[2].

Peru claims sovereignty over its coastal waters to a distance of 200 miles off shore. The coastline, more than 1,400 miles in length, is divided into three fishing zones. Zone I which extends from Chimbote to Pisco accounted for 80 per cent of the total catch, or 214,500 gross metric tons. Zone II from Puerto Pizarro to Salaverry produced 12 per cent or some 32,180 gross metric tons. Zone III in the south between San Juan and Ilo produced 7 per cent or 20,630 gross metric tons. More than thirty species of fish were caught but the most important were anchovy (118,726 gross metric tons), bonito (83,427) and shad (19,633). Skipjack, Pacific mackerel, tuna and drum are also landed in some numbers.

[1]Gross metric ton=2,200 lb.

[2]Soles 19.60=$1.00 Canadian.

Domestic Consumption Rises

About 18 per cent of the 1956 catch, or 48,045 gross metric tons, were consumed fresh and the remainder (about 219,240 g.m.t.) was processed. Greater Lima alone used about 32 per cent of the fresh fish, a rise of 37 per cent in its consumption over 1955. Total domestic sales reached 57,290 g.m.t., including 1,129 tons of imported fish, 4,637 of dry salted, 3,261 of canned, and 218 of frozen fish.

Fish Processing Expands

The fish-processing industry, with 60 plants in 1956, carries on freezing, canning and dry-salting of fish and produces meal and oil. Output of frozen fish reached 12,722 g.m.t. worth about 35 million soles, an increase of 3.8 per cent in volume over 1955, and exports totalled 12,894 g.m.t. valued at 35.6 million soles. Principal species frozen are shad, tuna, swordfish and shark. The main market was the United States, buying 12,600 g.m.t.; small quantities went to Germany, Belgium and Puerto Rico.

The canning industry produced 22,828 gross metric tons in 1956 (almost entirely bonito), an increase of 24 per cent over 1955 output. Bonito is packed in ¼, ½, 1, 4 and 5 pounds tins, comprising solid pack in oil, solid pack natural, solid pack in tomato sauce, flakes in oil and natural, and grated in oil and natural. Last year's pack was broken down as follows: in oil 1,540,656 cases, natural 126,350, and in tomato sauce 391. Exports rose to 18,500 g.m.t. valued at 176.6 million soles; the main markets were the United Kingdom (8,253 g.m.t.), the United States (7,467), the Netherlands (694), Canada (570), and Belgium (434).

Production of fishmeal in 1956 rose 54 per cent over the previous year to 30,969 gross metric tons and 27,792 gross metric tons went to export markets. The Netherlands was the largest foreign purchaser with 16,240 gross metric tons, followed by the United States, 6,361 and Germany, 2,503. Fishmeal exports were valued at 67.2 million soles.

Anchovy, which are found in tremendous quantities off the coast, provide the great bulk of the raw material for fishmeal. In 1956, of total production of 31,000 gross metric tons, 23,000 gross metric tons were produced from anchovy; shad, drum, and bonito residue from the canning plants were also used. High protein content and good quality have helped main-

This load of anchovies, caught off the Peruvian coast with the aid of Canadian-made nylon nets, will go to a processing plant where it will be turned into fishmeal. In 1956, out of the 31,000 gross metric tons of fishmeal produced 23,000 tons were made from anchovies.

tain good demand for Peru's anchovy meal in foreign markets.

The Government has announced that no further concessions for the installation of additional fishmeal plants or expansion of existing facilities will be granted until conservation studies have been completed.

Peru's production of fish oil reached just over 3,000 tons last year, an increase of 147 per cent over 1955; exports totalled 1,720 tons valued at 4.4 million soles. Germany and the Netherlands were the most important purchasers.

Whaling Station Established

This year, one of the world's largest and most modern land-based whaling stations commenced operations in the northern Peruvian port of Paita. U.S. and Peruvian capital shares equally in the new undertaking, known as Compania Ballenera del Norte. It will engage in the catching and processing of sperm whales which are found in large numbers in the cool waters of the Humboldt Current close to the Peruvian coast. Currently it operates a fleet of three 320-ton whaling vessels. A second whaling station has operated for many years in southern Peru.

The 1956 whale catch of 2,027 whales was slightly larger than in 1955 and the catch is expected to grow considerably in the future. Figures for production of whale meal and sperm oil are not available, but exports in 1956 amounted to 1,130 tons of meal and 4,277 tons of sperm oil.

The majority of the boats engaged in Peru's fishing industry vary from 38 to 60 feet in length; the newer ones are equipped with diesel power and current interest is running toward larger boats in the neighbourhood of 50 to 55 feet. Apart from a large number of small craft of all types, there are between three and four hundred purse seiners in operation.

Possibilities for Expansion

There is little doubt that Peru's fishing industry, still in the formative stage in many respects, offers possibilities for tremendous expansion. The waters close to shore teem with many varieties of excellent fish and this is one of the few remaining areas which has never been intensively exploited. Naturally, Peru does not offer good possibilities as a market for Canadian fish, apart from small quantities of dry salt cod.

An important contributing factor to the increase in Peru's fisheries production during 1956 has been a new type of nylon fishing net manufactured in Canada. These nets have proved extremely popular in the Peruvian fisheries because of their great strength and durability. They were introduced to Peru in 1955 and since that time sales have climbed steadily. During the calendar year 1956 Canada's exports of nylon fishing nets to Peru were valued at $194,183, and for the six months ended June 1957 they totalled $128,588 compared with $72,550 for the same period of 1956.

So far this year the industry has found competitive conditions difficult, especially for frozen and canned tuna, as a result of declining world market prices and severe competition from Japan in the U.S. market. In spite of this temporary setback, however, prospects are for continued progress and expansion. •

General Notes

Brazil

EXPORTS—Brazilian exports for the first eight months of the year increased 27.7 per cent in volume over last year but cruzeiro revenue dropped by 5 per cent and dollar revenue by 13 per cent. Principal export was coffee, a total of 8.7 million bags valued at Cr.$19 billion—about US$516 million or 61 per cent of all exports—Rio de Janeiro, Dec. 6.

EXPORTS—A special work group in the Ministry of Finance has been set up to study measures necessary to encourage exports. Authorization was given by President Kubitschek following a Finance Ministry report on the need for greater foreign exchange earnings to assist in economic development. The work group will include representatives of government, banking, industry and agriculture—Rio de Janeiro, Nov. 29.

Ceylon

RICE RESEARCH—The Ceylon Ministry of Food and Agriculture has completed plans for the setting up of a rice research institute at Peradeniya. This project will be financed by Australia under the Colombo Plan. It is intended to deal chiefly with the problem of rice production but will also do research on potatoes, tobacco, and onions—Colombo, Nov. 28.

Finland

IMPORT LICENSING—During the first nine months of 1957 the Finnish authorities issued import licences for goods to a value of 144.5 billion marks compared with 137.9 billion for the same period in 1956. Licences for Western currencies totalled 95.5 billion marks and for Eastern currencies 49.0 billion marks, compared with 99.1 billion and 38.8 billion in the same period of 1956—Stockholm, Dec. 5.

Japan

AUTOMOBILE EXPORTS—A total of 3,124 Japanese motor cars and trucks were exported during the first seven months of 1957, according to the Automobile Industry Association, valued at $9,750,000, including parts. Trucks, at 2,264, topped the list. Middle and Near East countries have been the leading markets for passenger cars but with the interest which North American buyers have recently shown, the industry expects the 1957 total to reach 1,000. Passenger car production in Japan is currently at the rate of about 4,000 vehicles per month—Tokyo, Dec. 15.

LABOUR PRODUCTIVITY—A survey by the Ministry of Labour shows that labour productivity in 14 major industries in Japan increased from 10 to 20 per cent during 1956. According to a statement released by the Ministry, four industries—cement, soda, automobiles and electric motors—showed an advance of 20 per cent or more. Ten other industries, including iron and steel, cotton textiles, ammonium sulphate, chemical fibres, and paper increased productivity about 10 per cent. The Ministry attributes these advances to the high rate of investment in industry during the year, improvement in techniques, greater standardization of products, and operation at or near maximum capacity—Tokyo, Dec. 3.

Norway

EXPORTS INCREASE—Norway's export figures for the first seven months of 1957 reveal a number of interesting developments. Exports, excluding ships, reached a new record of kroner 3,123 million compared with 2,881 million in January-July last year, an increase of nearly 9 per cent. A sharp rise in exports of non-precious metals was responsible for about 70 per cent of this increase—evidence that postwar investment in the country's electro-metallurgical industry is bearing fruit. The export value of non-precious metals was kroner 790 million, or 117 million more than last year. The United Kingdom is still Norway's largest customer; its imports were worth kroner 684 million compared with 619 million last year. Exports to West Germany rose from kroner 462 million to 503 million,

but those to the United States dropped from kroner 266 million to 233 million—Oslo, Dec. 10.

Rhodesia and Nyasaland

ITALIAN BANK—Italian industrialists are showing an increasing interest in the market opportunities offered by the Federation. To facilitate two-way trade between Italy and this country, a leading Italian bank has established a subsidiary—Intersomer Rhodesia (Pvt.) Ltd.—in Salisbury. Working in conjunction with the Banca di Credito Finanziario Mediobanca, Intersomer is interested in financing this two-way trade, and particularly imports of Italian-made industrial machinery. Mediabanca is empowered to finance Italian exports of capital goods, such as complete plant or complete units for the enlargement of existing plant, on deferred payment terms. The Federal importer settles with Intersomer on agreed terms—Salisbury, Nov. 26.

South Africa

POWER—The continuing industrial expansion in the Union is underlined by an increase of 9.6 per cent in the consumption of electricity during 1956. In that year 390 thousand kw. of the new generating plant was completed and an additional 60,000 kw. in plant capacity became available in the first quarter of 1957.

A major new project by the Electricity Supply Commission is the commencement of a power centre in the Eastern Transvaal. The initial unit, to cost £14 million, will generate 200 thousand kw. but ultimately, with 1970 as a target date, the completed development will have a capacity of one million kw. at a capital cost of £55 million—Johannesburg, Nov. 28.

FOREIGN EXCHANGE RESERVES—The persistent and unseasonable fall in the Union's gold and foreign exchange reserves continued into November and the reserves declined by a further £5 million to £104.6 million, a low point not touched since 1954. With the balance on current account buoyant beyond expectation, this continuing decline must represent alternatively a slowing in the rate of payment for merchandise exports or a continuing capital outflow —Johannesburg, Nov. 28.

Sweden

NEW POWER PLANT—The General Electric Company of Sweden is at present manufacturing water-turbine-driven generators which are stated to be the world's largest. The three generators of 150 thousand kilowatts each will be delivered to the Stornorrforsen power station situated on the Umea River. When completed, the 450 thousand kw. Stornorrforsen plant will be one of the largest power stations in Europe. The three generators each weigh 974 tons, including stator, feeder and cooling equipment—Stockholm, Nov. 20.

POWER CONTRACT—The General Electric Company of Sweden and the Charmilles Works of Switzerland have secured a contract valued at A£1.33 million in Australia to build a large power plant near the border of the States of Victoria and New South Wales. The Swedish deliveries, which will take about two years to complete, will consist of four 70,000 kw. electric generators worth about $2 million. The power contract was won in competition with a number of other bidding countries—Stockholm, Nov. 25.

United Kingdom

PETROCHEMICAL PLANT—Union Carbide has announced it will build a petrochemical plant at Fawley at an estimated cost of £3 million; the plant is to be ready in 1959. Extensive plans for expansion are also in progress in other main centres of the petrochemical industry. It is estimated that the total value of investment in U.K. petrochemical plants will reach £90 million by the end of 1958, compared with £44.6 million at the end of 1955. The new plant will convert ethylene, obtained from the new Esso plant under construction nearby, into a number of ethylene oxide derivatives and will have a capacity of about 20,000 tons a year—London, Dec. 4.

Coming to Canada on Business

A group of 18 Jamaican businessmen will tour Ontario and Quebec from January 21 to 31, 1958. They will be in Toronto from January 22 to 24, in Ottawa on the 27th, and in Montreal from January 28 to 30. The mission will be headed by the Hon. Wills O. Isaacs, Minister of Trade and Industry of Jamaica, and will include representatives of the Jamaica Chamber of Commerce, the Sugar Manufacturers Association of the West Indies, the Jamaica Tourist Board, leading manufacturing and importing firms, and government officials. Canadian businessmen who would like to contact members of the Mission in Toronto or Montreal should write immediately to the Area Trade Officer, Commonwealth, Department of Trade and Commerce, Ottawa.

West Germany

Outlook for Agricultural Imports

Even when crops are good, West Germany must buy agricultural products from abroad to supplement domestic production. This review of the current agricultural situation in West Germany should help in assessing prospects for Canadian exporters of farm products in the next few months.

M. B. BLACKWOOD,
Commercial Secretary, Bonn.

FARM products make up more than half of West Germany's imports from Canada. Wheat remains well in the lead, but barley, rye, field-crop seeds, and animal products form an important part of this trade. West German farmers are able to fill a substantial part of domestic needs but in most agricultural products, imports are still necessary. But the sales of Canadian agricultural commodities in this market are directly affected by the size of West German farm output in any given year.

Good Harvests in 1957

In 1957, West Germany had a bountiful harvest and some crops reached record highs. The grain crop, at 13.5 million metric tons, was the largest since 1945 and 2.7 per cent bigger than in 1956, also a bumper crop year. For the years 1949-1955 annual grain production averaged 11.4 million tons; the 1935-38 average was 10.4.

Bread grains accounted for 7,838 thousand tons and exceeded 1956 production by 6 per cent; wheat production rose 356 thousand tons from 1956 to 3,843 thousand tons, rye output went up by 80,000 tons, and mixed winter grain (winter rye, wheat and spelt) by 18,000 tons.

Production of feed and industrial grains declined by about 100 thousand tons from 1956 to 5,630 thousand tons. Of this total, barley made up 2,504 thousand tons, a substantial increase over previous years (2,310 thousand tons in 1956, 2,079 thousand in 1955 and 1,920 thousand in 1954). Production of oats and mixed summer grain (summer barley, oats and rye) however, declined considerably to reduce the total quantity of feed and industrial grains.

• *Wheat*—Throughout most of the 1956-57 crop year, grain production benefited from favourable growing conditions although bad weather delayed fall seeding. The winter proved a mild one with adequate rainfall and the grain crop got off to a good start. Winter-killing was slight—in wheat it knocked out only 1 per cent of the crop compared with the long-term average of 6 per cent. The larger acreage which came through the winter in good condition, combined with the area seeded in the spring, added 68,000 hectares[1] to the total area in wheat in the previous crop year. Throughout the spring and early summer, weather conditions proved favourable and harvesting began earlier than usual. Despite bad weather in the latter half of July and during August, 95 per cent of the crop was harvested in a satisfactory condition.

• *Oilseeds*—Rapeseed is the only important oilseed crop grown in West Germany; production in 1957 reached 67,462 tons, the largest for several years. Last year output totalled only 38,823 tons but absence of winter-killing and increased acreage (30,355 hectares in 1957 compared with 17,900 hectares in 1956) spelled the difference. German farmers find it profitable to grow rapeseed at D.M. 750[2] a ton, the price set by law that oil-crushing mills must pay. But with a very large crop this year, growers are experiencing some difficulty in disposing of it. Also by law, margarine manufacturers must use 5 per cent domestic rapeseed oil as long as it is available in making their product. The price of domestic oil currently runs about D.M. 80 per 100 kilos higher than oil crushed from imported rapeseed; a few months ago the spread widened to as much as D.M. 100. Under the circumstances, margarine manufacturers are not inclined to use more than the bare legal minimum of domestic rapeseed oil.

[1] 1 hectare=2.47 acres.
[2] D.M. 1.00=Can. $0.23 approximately.

Flaxseed is not raised in important quantities. In 1956 production totalled 1,702 tons; no official figures have yet been announced for this year.

• *Fruit*—The fruit crop, on the whole, turned out poorly because of sharp frosts during blossom time. The latest estimate of the apple crop places it at 405 thousand tons, or only 9.4 kilos a tree—the smallest crop since 1950. In contrast, 1956 was a good year with a crop totalling 1,578 thousand tons and a yield per tree of 35.7 kilos. (The six-year average from 1950 to 1955 works out to 29.5 kilos a tree.)

Production of pears is also down at 117 thousand tons (320 thousand tons in 1956).

Apricot production, at 1,000 tons, was much higher than the 1956 crop of 200 tons which suffered from severe winter-killing. The plum crop, on the other hand, (130 thousand tons) was below 1956 production and also down from the 1950-56 average by 67 per cent.

Vegetables and Tobacco

• *Vegetables*—In contrast to the poor fruit crop, 1957 turned out to be a good year for vegetables. The area under cultivation rose about 10 per cent from the previous year and output reached an estimated 1.2 to 1.3 million tons (1952-56 average is 1.1 million tons).

• *Sugar Beets*—The sugar beet crop is expected to total slightly more than nine million tons, or about one million tons above the 1951-55 average. The final figures for the potato crop will probably not reach the 1956 total of 26.8 million tons.

• *Tobacco*—Acreage in tobacco in 1957, at 8,550 hectares, fell 17 per cent below 1956 (10,300 hectares); estimates place production at 19,612 tons, a decrease of 13.7 per cent.

Livestock and Products

• *Livestock*—The latest census of pig population (September 1957) shows 15.7 million pigs on farms, the largest number ever, and 8.5 per cent above September 1956.

The latest cattle census (June 1957) revealed a total of 1,226 thousand head, or about 200 thousand more than in June 1956. This increase resulted largely from the greater number of calves and heifers under two years old. The trend towards more feeder cattle continued. The number of milk cows decreased slightly between January and July 1957 but milk production per cow continued to increase through better breeding and management. Because of more mechanization, there was a further decline in the number of draught oxen and cows.

West Germany has been carrying out a program of redistribution of land to alleviate some agricultural problems. As a part of this project, the small farmstead shown here was transferred from an over-populated village to the farmland

• *Dairy Products and Eggs*—Most of the milk produced in West Germany is used to make dairy butter. In 1956, the dairy industry used 6,748 thousand tons of milk to make butter, 2,407 thousand tons for the fluid trade, 964 thousand tons to make cheese, 626 thousand tons for cream, and 686 thousand tons for milk powder.

Since 1950, egg production has climbed steadily but has not kept pace with rising consumption. The 1957 total is estimated at 6.3 billion eggs, but consumption is expected to reach 10.5 billion.

Other Factors Affect Imports

As we have pointed out, the volume of West German imports of agricultural commodities depends upon what is needed to round out domestic production. The Government controls imports closely to ensure a stable market for German farmers. It maintains four official import and stocking agencies—for cereals and feedstuffs, sugar, fats, and livestock and meat. In addition, the Government applies quantitative controls on some imports such as fresh and canned fruits and vegetables, honey and eggs; these controls are effected through the periodic issuing of import quotas valid for a limited time only.

Until June 1957 grain imports were under quantitative control and usually took the form of bulk purchases from specified countries by the Federal Ministry of Food and Agriculture. Since then, the grain trade has received greater freedom to choose suppliers. Canada's wheat finds favour here because of a regula-

tion requiring local flour millers to use a fixed percentage (34 per cent in 1957-58) of imported "quality" wheats in their grist. "Quality" wheats consist of our Manitobas 1, 2, 3, and 4; United States Hard Red Spring and Hard Red Winter wheat 1, 2, and 3, and all grades of wheat harvested in Argentina.

In recent years Canada has supplied some low-grade or "filler" wheat to supplement West Germany's production, all of which is soft wheat. This year, in view of Germany's record crop and her obligations under trade agreements with neighbouring countries, there is little chance of a market for Canadian filler wheat developing.

The low production of fruit has already resulted in import quotas for canned and fresh fruits. A special quota for canned fruits came into effect during September and supplies are now coming into the market. If demand is not satisfied, there is a possibility that another quota will be established in the early part of 1958. Two quotas for fresh apples and pears were announced this autumn, with the first in effect until the end of December 1957 and the second permitting imports during the first three months of 1958.

Because of the excellent vegetable crop in 1957 quotas for canned vegetables from any of the dollar countries are not likely in the coming year.

A further fact which affects Canada's sales of farm products here is the re-emergence of Eastern Europe in its traditional role of an important supplier. Since 1954, shipments have increased by almost one-third, as the following table shows:

VALUE OF FARM PRODUCTS IMPORTED INTO GERMANY

(in $1,000)

	1956	*1955*	*1954*
Hungary	25,782	16,212	13,599
Yugoslavia	21,991	12,451	19,517
Poland	19,818	6,634	6,345
Roumania	7,226	5,024	6,964
Bulgaria	6,734	3,449	8,046
Czechoslovakia	6,210	3,821	1,947
East Germany	11,642	14,070	12,904
Total	99,403	61,661	69,322

West Germany offers one of the freest markets in Europe for many Canadian goods; at various times since 1954, the Government has relaxed controls on dollar imports as the country's payments situation improved. Although she has not yet freed imports from dollar countries to the same extent as those from non-dollar sources, West Germany has opened quotas for various dollar products which still remain under control. This augurs well for the future of our agricultural exports to this area. ●

Trade Office Opened in Ghana

CANADIAN businessmen interested in expanding trade with Ghana and other British West African territories will welcome the opening of a new office of the Foreign Trade Service in Accra, Ghana. Morley B. Bursey arrived in Accra on December 20 to take up the post of Commercial Counsellor in the office of the High Commissioner for Canada. Mr. Bursey, who was previously Commercial Counsellor in the Dominican Republic, will be responsible for developing trade not only between Canada and Ghana but also with Nigeria, Sierra Leone and Gambia, all of which were formerly included in the territory of our London office.

The four countries cover an area of 597 thousand square miles and have a combined population of nearly 39 million. In 1956 their total imports reached a value of £239 million and they are increasing rapidly. Since 1952, in fact, imports into British West Africa from all countries have gone up 40 per cent and Ghana alone has increased its foreign purchases by 100 per cent. During the same period, South Africa boosted its imports by only 22 per cent.

The United Kingdom has long held the position of principal supplier but recently Japan and West Germany have been gaining ground. Purchases from the dollar countries remain rather small because of the restrictions on dollar trade applying within the sterling area. However, the region is a net dollar-earner thanks to its large exports of cocoa and other primary products, and there is thus some scope for the dollar countries to expand their sales. Canada, for example, buys cocoa, manganese and mahogany from Ghana; cocoa beans, palm and palm kernel oil, mahogany and crude rubber from Nigeria, and ground ginger from Sierra Leone.

In 1956 Canada sold about $3 million worth of goods to the area now covered by the Accra office. Flour has traditionally been our leading export to this region with sales reaching nearly $2.5 million in 1956. Other products important in this trade include lumber, newsprint, aircraft, and automobiles and automobile parts. Exports to Ghana alone in 1956 were valued at about $1.5 million and consisted mainly of flour ($1.4 million), and soda and soda compounds ($74,000).

Inquiries about trade with this area should be sent to Mr. Bursey at the office of the High Commissioner for Canada, P.O. Box 1639, Accra, Ghana. ●

Argentine Imports Hit by Dollar Shortage

At present, Argentina buys more than 75 per cent of her imported newsprint and paper and nearly all her pulp imports from non-dollar sources because of the continuing dollar shortage.

C. S. BISSETT,
Commercial Counsellor, Buenos Aires.

ARGENTINA is not likely to provide a large market, at least in the foreseeable future, for exporters of pulp and paper in the dollar countries. The chief reason is the dollar shortage, which will continue for a number of years to limit our shipments to a share of the annual imports of newsprint and to the occasional order for pulp. And just as long as soft currency sources can meet demand, the Central Bank is not likely to allocate dollars for pulp and paper imports.

The domestic pulp and paper industry has expanded rather slowly in recent years but should step up its rate of growth in the next five to ten years if present plans are carried out. Local output accounted for only 27 per cent of the pulp and 70 per cent of the paper and paperboard used last year; imports of pulp reached 157 thousand metric tons, of newsprint 90,000 tons, and of paper and board about 21,000 tons.

By using import and foreign exchange controls, Argentina channels most of her purchases of pulp and paper to non-dollar countries. These products enter the country only through the official market (except for certain specialized papers) and no change in this situation is expected. The dollar suppliers' share of the market will probably not alter except in the unlikely event that soft-currency suppliers cannot meet demand or if the authorities take a percentage, or all, of the total quantity of the different types of imported pulps and papers out of the official market and transfer it to the free market. The official market uses an exchange rate fixed at 18 pesos per US$1.00 (or its equivalent in other currencies); the rate on the free market fluctuates with demand and currently is about 40 pesos per US$1.00. Importers of newsprint currently must buy three-fourths of their permitted purchases through the official market and one-fourth through the free market.

Pulp Output and Imports

Three local producers of wood pulp turn out mechanical and chemical pulp for papermaking and chemical pulp for the rayon industry; part of the pulp output goes to make hardboard. Last year wood pulp production reached 29,402 metric tons, made up as follows: mechanical (16,124), unbleached kraft (6,654), and bleached sulphite (6,624). The industry obtained a further 30,000 tons of pulp from other materials such as sugar-cane bagasse, wheat straw and "cana de castilla" (arundo donax), a plant resembling bamboo cane.

A new plant producing bleached sulphite pulp at Puerto Piray in Misiones Province is gradually increasing production; output has now risen to about 50 tons a day and will go up to a maximum of 100 tons a day by the end of next year. This plant operates on Araucaria, a pine known also as Parana or Brazilian pine. The bagasse mill, now making about ten tons of coarse brown wrapping paper and seven to eight tons of pasteboard a day, will boost its production to 26 tons a day next year and is planning further expansion in 1960.

The paper and board mills import much of the fibrous raw material they need. They buy the pulp almost entirely from soft-currency sources although the Argentine Central Bank sometimes grants import and foreign exchange permits for dollar purchases if supplies are short. The total 1956 pulp imports included the following in metric tons: bleached sulphite (36,075), unbleached sulphite (39,050), bleached kraft (9,000), unbleached kraft (32,135), mechanical (41,030).

Sweden supplied 68,876 metric tons of pulp, followed by Finland (51,361), Soviet Union (23,628), Yugoslavia (8,943), Poland (1,183), United States (825), Norway (306), Austria (261), Italy (146); the remainder came from West Germany and Japan. Last year Canada did not figure as a supplier, although in the two previous years a Canadian mill supplied a small amount because of a prevailing shortage in Europe. The domestic producers of paper and board bridge the current gap of some 100 thousand tons of pulp with used paper and rags.

Many Kinds of Paper Produced

More than 50 Argentine firms produce paper, cardboard and pasteboard of various kinds. The papers produced include newsprint, writing, kraft and sulphite wrapping, glazed, photographic, carbon, greaseproof, parchment, asphalt roofing, sanitary, blotting, filter, cheque, cigarette, paper serviettes and towels; the pasteboards are mainly used in the cardboard box industry. Paper and board production in metric tons over the past three years was:

	1956	*1955*	*1954*
Papers	215,304	198,811	182,231
Pasteboard	65,238	54,377	48,652
Cardboard	23,634	30,446	18,688

The production figures for each separate type of paper are not available but of the above totals, newsprint production reached about 18,000 tons (25,000 tons in 1955 and 15,000 tons in 1954). Fluctuations in output result from the fact that the mills do not find making newsprint as profitable as using the machines to make other essential types of paper. When sufficient foreign exchange is available to allow newsprint imports, the local mills reduce output. Actually Argentina could produce about 60,000 tons of newsprint a year if all suitable machines were used for that purpose. Production of writing and printing papers totalled about 65,000 tons and of all other types combined about 132 thousand tons last year.

Newsprint Imports Are Large

Last year's figures on imports of paper and board, in metric tons, show newsprint far in the lead.

Type of Paper	*Imports (in metric tons)*
Newsprint	90,210
Writing paper	18,974
Wrapping paper (exceeding 25 gms. per square meter, including poster paper and similar of any weight)	832
Wrapping paper (of less than 25 gms. per square meter, including plain greaseproof paper of any weight)	416
Cardboard in general	292
Pasteboard, ordinary, unfaced	86
Pasteboard, ordinary and fine, faced	85
Pasteboard, cut and partly elaborated	23

Except for newsprint, dollar countries supplied practically no type of paper or cardboard product. As with pulp, importers cannot get permits to buy from dollar countries unless adequate supplies are not available from Europe.

Of the newsprint imports last year, the United States supplied 14,232 metric tons and Canada 9,915 tons. The other suppliers of over 1,000 tons were Finland (25,641), Austria (14,790), Sweden (8,276), Norway (7,147), West Germany (3,056), France (2,061), Czechoslovakia (1,663), and the United Kingdom (1,201). The remainder came from Poland, the Soviet Union, Italy and the Netherlands. The authorities have announced recently that newsprint imports in 1958 will be limited to 130 thousand metric tons—75 per cent to be imported through the official market and the other quarter through the free market.

Other types of imported paper came entirely from soft currency countries, except 54 tons of heavy wrapping paper which the United States supplied. Similarly these same countries, principally northern Europe, supplied all of the cardboard and pasteboard, other than 11 tons of pasteboard cut to size and partly elaborated. A more detailed analysis of the above totals showing countries of origin is available from the Department of Trade and Commerce, Ottawa.

Future Prospects Look Dim

Other than the share of the newsprint demand, Argentina does not look promising as a market for the Canadian exporter of pulp and paper. In addition to the dollar exchange problem, at least one projected paper mill is being considered to produce a maximum of 30,000 tons of pulp a year for wrapping paper and boards. However, Argentina will have to rely on foreign sources to bridge the gap between local production of pulp and the total consumption of paper and board (excluding newsprint).

The provinces bordering on the Parana and Uruguay Rivers could grow suitable raw materials for a wood pulp industry. Although the idea of perpetual-producing forests is taking hold here, it is followed only on a small scale, mainly on small pulpwood properties situated in the Parana delta and in the more northerly provinces. Water transport by barge is available almost everywhere in these districts and suitable pulping species already being grown include the willows, poplars and willow-poplars and eucalyptus, also a fast-maturing tree. The industry already uses the Araucaria or Parana pine of Misiones for pulpwood. Experts claim that this tree can be grown much more widely and recommend minimum planting of at least 20,000 acres a year, starting next year.

The Economic Commission for Latin America of the United Nations estimates that by 1962 Argentina will

produce some 30,000 tons of chemical pulp a year and by 1967 about 45,000 tons if it carries out the recommended planting. In these same years the production of semi-chemical pulp might reach 100 thousand tons and 170 thousand tons and of mechanical pulp about 75,000 and 110 thousand tons. These pulp supplies, with those obtained from bagasse, "cana", wheat, straw, etc., and waste paper should be enough to enable the paper and board industry to produce 350 thousand tons of paper and board in 1962 and 500 thousand tons in 1967.

Midwest Market for Watercraft

Sales of watercraft in the U.S. are soaring but the Canadian share is falling. To reverse this trend, Canadian boat-builders must adopt better selling techniques. Here is practical advice on a sound sales approach to the rich Midwest market.

R. G. WOOLHAM,
Assistant Trade Commissioner, Chicago.

THERE'S still a booming market for pleasure boats south of the border. Sales of outboards alone were expected to reach $138.5 million in 1957—a jump of nearly $26 million over 1956. Imports of boats of all types are going up too—from $4.1 million in 1955 to $4.7 million in 1956. So is the average price paid: in 1957 U.S. buyers paid an average of $554 per boat compared with $468 in 1956 and only $391 in 1955—according to figures worked out by the Outboard Boating Club of America.

Canada still supplies about one-third of boats costing under $15,000 imported into the United States, but only a small fraction of those costing over $15,000. A glance at Canadian statistics, however, shows that recently our sales there have been slipping. The table below tells the story:

CANADIAN SALES TO THE U.S.

	1957 First nine months	*1956 12 mos.*	*1955 12 mos.*
Boats, Canoes and Parts	$683,386	$1,091,144	$1,370,286
Gasoline Launches and Yachts	347,898	478,604	594,685

To recapture a larger share of this market, and particularly in the Midwest states, Canadian boat-builders will have to step up their sales efforts to meet the competition from U.S. domestic manufacturers. The American boat-builder is satisfying the buyer's demand for smart styling, new designs and better materials, even for craft in the 14 to 16-foot class that sell at prices ranging between $200 and $500.

Fiberglas boats have shown the largest increase in sales and have cut into purchases of boats made from other materials. Its popularity stems from the ease of moulding which lends itself to new designs and to features borrowed from automobiles, such as high tail-fins and large built-in tail-lights. Some of the moulded plywood boats, in fact, are now being painted to look like fiberglas.

Securing Good Representatives

Canadian boat-builders often find that competing against U.S. manufacturers is difficult because they offer good distribution, extensive advertising, new lines, and often better terms. U.S. firms market their boats through one or more of the following distribution channels: direct to dealers, to wholesalers selling to dealers, or to a manufacturers' representative who may sell to both wholesalers and dealers.

The larger manufacturers usually sell direct to wholesalers or dealers and employ a staff of salesmen who visit their accounts regularly. They also do extensive advertising and organize sales promotion projects in conjunction with dealers.

The smaller firms prefer to use the selling services of a well-introduced manufacturers' representative. He usually receives 5 per cent commission on the dealer price of all boats sold in his sales territory, as agreed upon with his principal. He works on a long-term basis to interest the dealers in his territory to stock and move his line of boats as well as the allied lines

(such as marine accessories, fishing tackle, etc.,) of his other principals. It is up to the manufacturer to process orders, arrange for direct shipment, and collect from the dealer.

Most American firms and particularly boat dealers do not have the time nor the knowledge to clear shipments from Canada through Customs and for this reason many shy away from handling Canadian boats. Thus Canadian manufacturers who wish to sell to American dealers should arrange to quote duty-paid prices F.O.B. some centre such as Chicago or Detroit.

In most cases it is advisable for the Canadian boat manufacturer who wishes to sell in the Midwest to secure the services of a good U.S. representative. The personal sales function cannot be over-emphasized when it comes to obtaining a firm commitment from the dealer to handle a specific line. The manufacturer's representative has this personal contact and with his knowledge and experience of the market can do a much better selling job.

On the other hand, a wholesale account is a good one and involves fewer problems if it can be secured—but again personal selling is important. The wholesaler takes title to the boats he orders and may carry a stock. He also arranges for onward transportation to his dealer outlets, for terms of payment, and for collection from the dealers. There is one disadvantage—the manufacturer has little control over the wholesaler's selling effort.

Direct-to-dealer distribution may be more profitable if a large number of dealers can be interested in handling the line. To develop dealer interest, the manufacturer's savings on a representative's commission or a wholesaler's mark-up must be diverted to maintaining an adequate sales force and promoting an effective advertising program.

Discounts and Terms

The dealer's discount ranges between 25 and 40 per cent, with extra quantity and seasonal discounts. Terms of payment vary, but are generally sight draft, bill of lading attached; or 25 per cent with order, balance sight draft, bill of lading attached; or, with well-established dealers, open account.

The Customs Problem

Duty on boats designed to be used with a motor (outboard and inboard) imported into the United States is currently 6½ per cent ad valorem, which is to be reduced to 6 per cent on June 30, 1958. One method of handling the customs problem is to consign shipments care of a U.S. customs broker near the port of entry. (Lists of local brokers can be obtained from any U.S. Customs port office.) The broker will look after documentation, customs clearance, payment of duties and forwarding of the shipment, if prior agreement has been reached. He will bill the Canadian shipper for the duty and other charges either on each shipment or monthly, so that laid-down dealer prices can be calculated to cover the duty and other costs.

Freight and Exchange

Freight rates and costs have to be obtained individually. However, it is reported that one western boat manufacturer arranges to have his boats shipped east at a very competitive rate by using automobile truck trailers which normally return east empty. If freight is prepaid in Canadian funds, the portion of the freight rate which accrues to the carrier in the U.S. is not subject to the 3 per cent U.S. tax which applies to freight collect. Thus shipments which are prepaid can be landed at a lower cost than those sent freight collect.

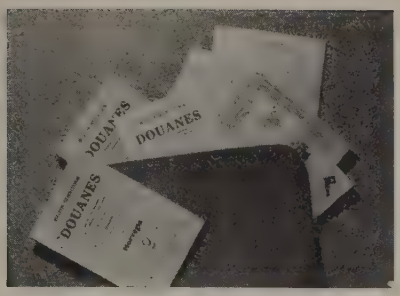
Trade Shows Are Useful

One way of trying out the market is by entering an exhibit at a trade fair. There are several Boat Shows in the Midwest area. They fall into two groups: the public type where manufacturer and dealer team up to exhibit watercraft to the ultimate consumer, and second, the strictly trade show, where the manufacturer exhibits his boats in an effort to obtain new dealers to handle his line. Admittance at this type of show is restricted to dealers only; they visit it to see what's new. There are at least two trade shows held every year—the Boat Trade Show in Chicago in late September and the Northwest Boat & Marine Trade Show in Minneapolis about the middle of October. Either of these is an excellent medium for the Canadian manufacturer who is preparing to initiate a Midwest sales program.

Trade Commissioners Can Help

Canadian boat manufacturers who would like to sell in the Midwest can get help on market evaluation and the right sales approach through the Canadian Trade Commissioners in Chicago and Detroit. They can provide the names of manufacturers' representatives, wholesalers or boat dealers in the Midwest area for direct contact or if the manufacturer prefers, and if they are armed with sufficient literature and information, will contact the appropriate people on the Canadian firm's behalf.

It should be emphasized, however, that the success of boat sales in this area depends on an aggressive marketing program and follow-through. For additional information, Canadian boat manufacturers should write to the Trade Commissioner at the Canadian Consulate General in Chicago at 111 N. Wabash Street, or in Detroit at 1139 Penobscot Building. ●



Trade and Tariff Regulations

Brazil

CHEMICAL IMPORTS—The National Petroleum Council has recommended to SUMOC that imports of chemicals for use in petroleum refining be included in the exemption of Article 50 of the new tariff law. Article 50 allows the purchase of currency for imports at a special rate of exchange outside of the auction system and consequently lower than that of the new general category, where these imports are considered essential to Brazil's economy.

TAX ON COFFEE EXPORTS—A tax on coffee exports equivalent to 25 cents U.S. per 60-kilo bag went into effect November 4th. Purpose of the tax is to create a fund for financing coffee publicity abroad. Proceeds of the tax will be deposited in the Bank of Brazil to the order of the Brazilian Coffee Institute.

Fiji

STANDARDS FOR SPIRITS ANNOUNCED—In a proclamation dated October 21, 1957, the Governor-in-Council of the Colony of Fiji announced the standards for spirits imported into the Colony.

The proclamation advises that the import of spirits into the Colony is prohibited unless the importer shall prove to the satisfaction of a Collector of Customs that such spirit has matured by storage in wood for a period of not less than three years. A certificate to that effect issued at the port of shipment by a Collector of Customs or public authority having knowledge of the fact shall be accepted as proof of conformity with the above regulations. Otherwise the goods may be either exported within a reasonable time or stored in bond until the spirit has matured for three years.

According to the proclamation, the term "spirits" means brandy, whisky, gin and rum.

Philippines

CREDIT RESTRICTIONS—The Central Bank of the Philippines has placed further restrictions on imports to combat inflation and to arrest the dangerous decline in the dollar reserves.

Central Bank Circular No. 79 which went into effect immediately it was published on December 9th virtually stopped bank credit for ordinary imports and confined the privilege of importing to those who can put up the required cash deposit with the banks.

Briefly, the new Central Bank policy calls for: (1) cash deposit of 100 per cent when opening letters of credit against import quotas for imports of decontrolled, essential consumer goods, and essential and semi-essential producer goods; (2) a cash deposit of 200 per cent for all letters of credit against quotas for imports of semi-essential consumer goods and non-essential producer goods; (3) prohibition of the opening of letters of credit for non-essential consumer goods; (4) a marginal deposit of not less than 50 per cent for all letters of credit for essential producer raw materials of industrial establishments approved by the Central Bank and the National Economic Council, as well as essential industries established before December 1949 and possessing regular quota allocations.

Philippine dollar reserves have fallen to a critical level. The latest Central Bank figure is $145 million, but this includes several loans outstanding from American banks and the committed portions of the holdings of local banks. Actual Philippine dollar reserves are probably in the region of $70 million. They were $230 million a year ago and $260 million when exchange controls were introduced in 1949.

The principal cause of this continued decline is increased imports without a corresponding growth in exports. Philippine imports during the first half of 1957 totalled $308 million, compared with $243 million in the first half of 1956. There was an adverse balance of payments of $40.6 million during the first three quarters of 1957 and this would have been much higher without U.S. Government spending—Manila, Dec. 17.

United Kingdom

ARRANGEMENTS FOR IMPORT LICENSING OF MACHINERY MODIFIED—The United Kingdom has recently modified the arrangements for the grant of import licences for machinery from dollar countries.

In the early postwar years, dollar machinery was not licensed unless it was shown to be vital to the maintenance of exports or to the efficiency of essential industries. In June 1954 it was announced that

in future more favourable consideration would be given to applications for import licences whenever the Board of Trade was satisfied, from the information before it in each case, that the dollar machinery would reduce costs and that no alternative non-dollar machinery offering roughly similar advantages was available.

Under the new arrangements, applicants for licences will no longer be asked to indicate whether alternative machinery is obtainable from non-dollar sources *outside the United Kingdom.* The requirements remain that the dollar machinery must reduce costs, and that no alternative *United Kingdom* machinery offering roughly similar advantages is available.

This latest modification represents a further step in the direction of reducing discrimination against imports of machinery from Canada and other dollar countries and may thus provide some new opportunities for Canadian trade in the United Kingdom.

TOKEN IMPORT SCHEME—Notice has been received from the United Kingdom Board of Trade that the United Kingdom Token Import Scheme will be continued for 1958 on the same basis as it was operated in 1957. The list of commodities which may be shipped under the scheme remains unchanged but the new groupings of commodities which were in effect for 1957 will be continued and, after June 30th, quotas outstanding unvouchered will again become transferable for the benefit of other firms requiring them. These unvouchered quotas will be advertised in *Foreign Trade* as they were in the July 20, 1957, issue.

The usual notice and detailed instructions will be going forward to all participants in the scheme.

Tours of Territory

J. H. BAILEY, Commercial Secretary in Paris, France, plans a tour of French West Africa and will visit Dakar and St. Louis, January 30-February 3, Conakry, February 4-5, Abidjan, February 6-9, and Bamako, February 11-12.

D. B. LAUGHTON, Commercial Secretary in Mexico City, will visit Guadalajara during the week of January 20th.

Businessmen who would like these officers to undertake assignments for them should get in touch with them at their posts as soon as possible. Mr. Bailey can be reached at his office in Paris, and Mr. Laughton at Mexico City, D.F.

Canadians Discover Italy

FIGURES issued by Italy's National Institute for Tourist Industries show that 107,755 Canadians visited Italy in 1956—compared with 100,921 in 1955, 93,663 in 1954, 42,015 in 1952, and only 10,279 in 1948. Surely Canadians have discovered Italy!

Tourists customarily begin to arrive in large numbers just before Easter. The flow then slackens off until mid-May, but thereafter increases steadily until August, the most popular month. The number of arrivals drops as autumn approaches and from November until Easter is at its lowest. In 1956 the great majority of Canadians came to Italy by road. Only 21 per cent arrived by rail, just 6 per cent by air, and 3 per cent by sea.

Official statistics are not available to show how much money each visitor spends, but the Institute's estimates suggest that in 1956 the Canadians spent just over $15 million. This figure is possibly conservative, as it is based primarily on expenses for normal day-to-day living and does not include money spent for transportation to and from Italy on Italian-owned facilities, nor the larger purchases of Italian goods that the tourists made.

The lack of precise data means that the exact effect of Canadian tourist spending in Italy cannot be known but the estimated $15 million appears to make an important contribution to Italy's balance-of-payments position vis-à-vis Canada. In fact, a study of DBS statistics suggests that Italy's annual deficit on merchandise account may well be eliminated by expenditures of Canadians visiting Italy:

	1954 *$ millions*	*1955* *$ millions*	*1956* *$ millions*
Canada's exports to Italy	23.8	27.6	37.7
Canada's imports from Italy	15.0	18.5	25.0
Balance in Canada's favour	8.8	9.1	12.7

The increasing number of Canadians coming to Italy each year means an important cultural exchange between the two peoples. This helps to better trade relations as Canadians become more aware of the products Italy has to offer or must import. Italians in turn acquire a better knowledge of what Canadians want to buy or can supply.

—J. G. IRELAND,
Assistant Commercial Secretary, Rome.

foreign trade service abroad

* No Foreign Trade Officer at this post. Bentley's Second Phrase Code is used by Canadian Trade Commissioners

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett Commercial Counsellor	Canadian Embassy Bartolome Mitre 478 BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina	Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton Commercial Counsellor for Canada H. S. Hay Assistant Commercial Secretary	7th Floor, Berger House 82 Elizabeth Street SYDNEY	*Mail:* *P.O.* Box 3952 G P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	T. G. Major Commercial Counsellor for Canada	83 William Street MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Austria Czechoslovakia, Hungary	R. K. Thomson Commercial Secretary for Canada	Opernringhof Opernring 1 VIENNA I	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 34-55-54
Belgian Congo Angola, French Equatorial Africa	G. F. Mintenko Acting Canadian Government Trade Commissioner	Forescom Building LEOPOLDVILLE 1	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	L. H. Ausman Commercial Counsellor K. G. Ramsay Commercial Secretary J. R. Roy Assistant Commercial Secretary	Canadian Embassy 35 rue de la Science BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	V. L. Chapin Commercial Secretary C. M. Kerr Assistant Commercial Secretary	Canadian Embassy Edificio Metropole Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. E. Butterworth Consul and Trade Commissioner Vice Consul and Assistant Trade Commissioner	Canadian Consulate Edificio Alois Rua 7 de Abril 252 SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	W. R. Van Commercial Secretary	Office of the High Commissioner for Canada 6 Gregory's Road Cinnamon Gardens COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 91341
Chile	H. M. Maddick Commercial Secretary	Canadian Embassy 6th Floor Av. General Bulnes, 129 SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	P. A. Savard Commercial Secretary	Canadian Embassy Avenida Jimenez No. 7-25 Office 613 BOGOTA	*Airmail:* Apartado Aereo 3562 *Surface Mail:* Apartado 1618 *Cable:* CANADIAN *Tel.:* 30-065
Cuba	G. A. Browne Commercial Secretary	Canadian Embassy Edificio Ambar Motors Avenida Menocal 16 HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland, Poland	C. F. Wilson Commercial Counsellor	Canadian Embassy 4 Trondhjems Plads COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602
Dominican Republic Puerto Rico	W. B. McCullough Commercial Counsellor	Canadian Embassy Edificio Copello 408 Calle El Conde CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 8138

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic—*con.*	J. J. B. Mountain Assistant Commercial Secretary (Fisheries)		
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	D. S. Armstrong Commercial Secretary	Canadian Embassy 6 Sharia Rouston Pasha Garden City CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French West Africa, Morocco, Tangier, Tunisia	R. Campbell Smith Commercial Counsellor for Canada A. L. Neal Attaché J. H. Bailey Commercial Secretary	Canadian Embassy, 35 Avenue Montaigne, PARIS 8e	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* BALzac 99-55
Germany Federal Republic	J. A. Stiles Commercial Counsellor S. G. Barkley Commercial Secretary M. B. Blackwood Commercial Secretary	Canadian Embassy 22 Zitelmannstrasse BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	E. H. Maguire Consul J. M. T. Thomas Vice Consul	Canadian Consulate 69 Ferdinandstrasse HAMBURG	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 326149
Ghana Gambia, Nigeria Sierra Leone	M.B. Bursey Commercial Counsellor	Office of the High Commissioner for Canada Ambassador Hotel ACCRA	*Mail:* P.O. Box 1639
Greece Israel, Turkey	A. B. Brodie Commercial Secretary L. D. R. Dyke Assistant Commercial Secretary	Canadian Embassy 31 Vassilissis Sophias Ave. ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	H. W. Richardson Canadian Government Trade Commissioner R. M. Dawson Assistant Trade Commissioner	5 Avenida 10-68, Zone I GUATEMALA CITY, C.A.	*Airmail:* P.O. Box 400 *Surface Mail:* P.O. Box 444 *Cable:* CANADIAN *Tel.:* 5590
***Haiti**	Chargé d'Affaires, a.i. and Consul	Route du Canape Vert St. Louis de Turgeau PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong Cambodia, China, Laos, Vietnam, Macao Taiwan	C. M. Forsyth-Smith Canadian Government Trade Commissioner W. M. Miner Assistant Trade Commissioner T.M. Pope Assistant Trade Commissioner (attached for temporary duty)	Hong Kong and Shanghai Banking Corporation Bldg. HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	B. A. Macdonald Commercial Counsellor J. H. Nelson Assistant Commercial Secretary	Office of the High Commissioner for Canada 4 Aurangzeb Road NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India Goa	T. F. Harris Canadian Government Trade Commissioner W. J. Collett Assistant Trade Commissioner	Gresham Assurance House Mint Road BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 255154
Indonesia	J. E. P. Lancaster Commercial Secretary	Canadian Embassy Djl. Budi Kemuliaan No. 6 DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 1313

Territory	Officer	City Address	Mail and Cables, Office Telephone
Ireland	H. A. Gilbert Commercial Secretary for Canada	66 Upper O'Connell St. DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.*. 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald Commercial Counsellor K. F. Osmond Commercial Secretary (Fisheries) J. G. Ireland Assistant Commercial Secretary	Canadian Embassy Via G. B. De Rossi 27 ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 861-951
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Japan South Korea	J. L. Mutter Commercial Counsellor W. G. Pybus Commercial Secretary	Canadian Embassy TOKYO	*Mail:* Canadian Embassy *Cable:* CANADIAN *Tel.:* 48-4116
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Mexico	C. J. Van Tighem Commercial Counsellor D. B. Laughton Commercial Secretary A. A. Lomas Assistant Commercial Secretary	Canadian Embassy Melchor Ocampo 463, 7th Floor MEXICO 5, D. F.	*Mail:* Apartado 25364 *Cable:* CANADIAN *Tel.:* 25-15-60
Netherlands	B. C. Butler Commercial Counsellor W. R. Hickman Commercial Secretary B. Horth Assistant Commercial Secretary	Canadian Embassy Sophialaan 5-7 THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 61-41-11
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Territory	Officer	City Address	Mail and Cables, Office Telephone
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Rhodesia and Nyasaland Kenya, Seychelles Is., Tanganyika, Uganda, Zanzibar	W. J. Millyard Canadian Government Trade Commissioner	Offices 110-113 Central Africa House Corner First St./Gordon Ave. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	M. P. Carson Canadian Government Trade Commissioner W. G. Huxtable Assistant Trade Commissioner	Rooms 4, 5 and 6 American International Building Robinson Road and Telegraph St. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 30631-2
South Africa (Natal, Transvaal, Orange Free State), Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble Canadian Government Trade Commissioner I. V. Macdonald Assistant Trade Commissioner	Mutual Building Harrison Street JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province), St. Helena, Southwest Africa	M. R. M. Dale Canadian Government Trade Commissioner	602 Norwich House The Foreshore CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio Muni, Rio de Oro	M. T. Stewart Commercial Counsellor	Canadian Embassy Edificio España Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 47-54-00
Sweden Finland	A. P. Bissonnet Commercial Secretary	Canadian Embassy Strandvagen, 7-C STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland	B. I. Rankin Commercial Counsellor N. W. Boyd Assistant Commercial Secretary	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies, Guadeloupe, Martinique	R. W. Blake Canadian Government Trade Commissioner P. T. Eastham Assistant Trade Commissioner	Colonial Building 72 South Quay PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland)	H. L. Brown Commercial Counsellor G. H. Rochester Commercial Counsellor (Timber) D. A. B. Marshall Agricultural Counsellor W. Gibson-Smith Commercial Secretary S. G. Tregaskes Commercial Secretary	Office of the High Commissioner for Canada Canada House Trafalgar Square LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	A. W. Evans Canadian Government Trade Commissioner	Martins Bank Building Water Street LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	H. A. Gilbert Canadian Government Trade Commissioner	36 Victoria Square BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith Minister (Commercial) Dr. W. C. Hopper Agricultural Counsellor	Canadian Embassy 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
United States—*con.*	Wm. Jones Commercial Secretary W. A. Stewart Assistant Commercial Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen Deputy Consul General (Commercial) C. R. Gallow Consul and Trade Commissioner H. E. Lemieux Consul and Trade Commissioner	Canadian Consulate General 620 Fifth Ave NEW YORK CITY 20	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	F. B. Clark Consul and Trade Commissioner	Canadian Consulate General 532 Little Building 80 Boylston Street BOSTON 16	*Mail:* (City Address) *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. F. Renwick Consul and Trade Commissioner G. F. J. Osbaldeston Vice Consul and Assistant Trade Commissioner Vice Consul and Assistant Trade Commissioner	Canadian Consulate General 111 North Wabash Avenue CHICAGO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAndolph 6-6033
United States (Michigan, Ohio)	M. J. Vechsler Consul and Trade Commissioner J. R. Midwinter Vice Consul and Assistant Trade Commissioner	Canadian Consulate 1139 Penobscot Building DETROIT 26	*Mail:* (City Address) *Tel.:* WOodward 5-2811
United States California (the ten southern counties), Clark County in Nevada, Arizona, New Mexico	T.M. Burns Consul and Trade Commissioner	Canadian Consulate General 510 West Sixth Street LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	A. A. Caron Consul and Trade Commissioner	Canadian Consulate General 215-217 International Trade Mart NEW ORLEANS 12	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* JAckson 5-2136
*United States California, (except the ten southern counties), Wyoming, Nevada (except Clark County), Utah, Colorado, Hawaii	Consul General	Canadian Consulate General 3rd Floor, Kohl Building 400 Montgomery Street SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General The Tower Building Seventh Avenue at Olive Way SEATTLE 1, Washington	*Mail:* (City Address) *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	C. B. Birkett Commercial Counsellor	Canadian Embassy No. 1409 Avenida Agraciada Piso 7° MONTEVIDEO	*Mail:* Casilla Postal 852 *Cable:* CANADIAN *Tel.:* 96096
Venezuela Netherlands Antilles	R. E. Gravel Commercial Secretary W. G. Brett Assistant Commercial Secretary R. D. Sirrs Assistant Commercial Secretary	Canadian Embassy Edificio Pan American Avenida Urdaneta Puente Urapal, Candelaria CARACAS	*Mail:* Apartado 9277 *Cable:* CANADIAN *Tel.:* 54-3431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.01458.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent December 20	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Official	.05476	18.26	(1)
		Free	.2590	38.61	
Austria	Schilling		.03791	26.38	
Australia	Pound		2.2125	.4520	
Belgium, Belgian Empire and Luxembourg	Franc		.01971	50.74	
Bolivia	Boliviano	Free	.0001138	8787.35	
British West Indies	Dollar		.5762	1.74	(2)
	Pound		2.765625	.3616	(3)
British Honduras	Dollar				
Brazil	Cruzeiro	General Category*	.01223	81.75	*Nov. 27 (4)
		Special Category	.004403	227.08	
		Official buying	.05367	18.63	
Burma	Kyat		.2070	4.83	
Ceylon	Rupee		.2074	4.82	
Chile	Peso	Free	.001454	687.76	(5)
Colombia	Peso	Certificate	.1822	5.49	
Costa Rica	Colon	Official	.1755	5.70	
		Controlled free	.1483	6.74	
Cuba	Peso		.9856	1.01	tax 2%
Czechoslovakia	Koruna		.1369	7.30	
Denmark	Krone		.1427	7.01	
Dominican Republic	Peso		.9856	1.01	
Ecuador	Sucre	Official	.06571	15.22	
		Free	.05740	17.42	
Egypt	Pound	Official	2.8303	.3533	(6)
El Salvador	Colon		.3943	2.54	
Fiji	Pound		2.4916	.4013	
Finland	Markka		.003080	324.68	
France, Monaco and North Africa	Franc		.002347	426.08	(7)
French colonies in Africa	Franc		.004694	213.08	(8)
French Pacific	Franc		.01291	77.46	(9)
Germany	D Mark		.2346	4.26	
Ghana	Pound		2.7656	.3616	
Greece	Drachma		.03285	30.44	
Guatemala	Quetzal		.9856	1.01	
Haiti	Gourde		.1971	5.07	
Honduras	Lempira		.4928	2.03	
Hong Kong	Dollar	Free*	.1681	5.95	*Dec. 6
		Official	.1729	5.78	
Iceland	Krona	Official	.06052	16.52	(6)
India	Rupee		.2074	4.82	
Indonesia	Rupiah	Effective buying	.04357	22.95	
		Effective selling	.03487	28.68	*Dec. 6 (6)
Iran	Rial	Certificate	.01301	76.85	
Iraq	Dinar		2.7598	.3623	
Ireland	Pound		2.7656	.3616	
Israel	Pound		.5476	1.83	

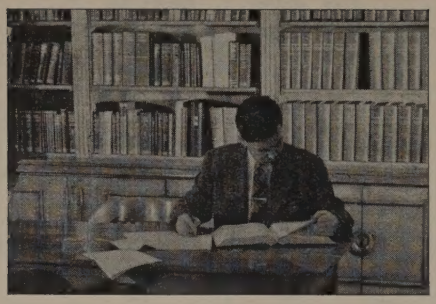
*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent December 20	Units per Canadian dollar	Notes (See below)
Italy	Lira		.001582	632.11	
Japan	Yen		.002738	365.23	
Lebanon	Pound	Free	.3114	3.21	
Mexico	Peso		.07885	12.68	
Netherlands	Florin		.2600	3.85	
Netherlands Antilles	Florin		.5239	1.91	
New Zealand	Pound		2.7656	.3616	
Nicaragua	Cordoba	Effective buying	.1493	6.70	
		Official selling	.1399	7.15	
Norway	Krone		.1380	7.25	
Pakistan	Rupee		.2074	4.82	
Panama	Balboa		.9856	1.01	
Paraguay	Guarani	Official	.01643	60.86	(6) (10)
Peru	Sol	Certificate	.05187	19.28	
Philippines	Peso		.4928	2.03	
Portugal & Colonies	Escudo		.03440	29.07	(11)
Singapore and Malaya	Straits dollar		.3227	3.10	
Spain and Dependencies	Peseta	Controlled free	.02347	42.60	(6)
Sweden	Krona		.1905	5.25	
Switzerland	Franc		.2300	4.35	
Syria	Pound	Free	.2734	3.63	
Thailand	Baht	Free	.04813	20.78	(6)
Turkey	Lira		.3520	2.84	
Union of South Africa	Pound		2.7656	.3616	
United Kingdom	Pound		2.765625	.361581	
United States	Dollar		.985625	1.01458	
Uruguay	Peso	Free	.2193	4.56	
		Basic buying	.6489	1.541	
		Principal selling	.4695	2.13	(6) (12)
Venezuela	Bolivar		.2942	3.40	
Yugoslavia	Dinar		.003285	304.41	(6)

*Latest available quotation date.

notes

1. Argentina: additional rates result from exchange retentions on export proceeds and surcharges on imports.
2. Barbados, Trinidad, Tobago, Leeward and Windward Islands, British Guiana.
3. Bahamas, Bermuda, Jamaica.
4. Brazil: Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
5. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 200 per cent, depending on product, prior to shipment of goods.
6. Additional rates are in effect.
7. France: Territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Official rate applies to exports and essential imports. For non-essential imports there is a surcharge of 25 guaranis per U.S. dollar.
11. Portugal: approximately same rate for Portuguese Territories in Africa.
12. Certain essential imports are subject to a fixed rate of 2.10 pesos per U.S. dollar, and no longer require import permits. Other imports are subject to the free rate, and are under quota. Exports are subject to a variety of rates according to the product. Exports are divided into eleven categories for exchange rate purposes. Depending on the product, the export rates which apply range from 100 per cent of the free rate to 100 per cent of the basic export rate of 1.519 pesos per U.S. dollar.



Businessman's Bookshelf

An Economic Geography of the Commonwealth

The Economist Intelligence Unit. 282 pages. $2.47.

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The first third of the book treats the over-all development of the Commonwealth, describes the 600 million people who comprise it, where they came from, how they feed themselves, and what they make and sell. It concludes with an outline of the transportation links between them.

Part II is a survey by countries or territories—short but surprisingly comprehensive. Highlighted in each case are the geography, the economy, and the export industries. Even the guano deposits of lonely Tristan da Cunha are mentioned.

Order from: The Ryerson Press, 299 Queen Street W., Toronto, Ontario.

Cyprus 1956

Colonial Report. 143 pages. $1.04 postpaid.

CYPRUS 1956 provides the usual detailed information which the reader has come to expect in reports from the British Colonial Office—in fact, almost everything he needs to know to understand conditions in this market. Because of restrictions against dollar imports, Cyprus appears to offer limited scope for expanding sales. However, shipments from the United States, according to Cyprus statistics, totalled £1.4 million in value last year and from Canada £624 thousand, out of total imports of £39 million. DBS figures (which link Malta and Cyprus together) for the same year show only modest exports other than wheat—mainly canned fish, scrap metal, and machinery and parts.

In spite of its strategic position in the eastern Mediterranean, Cyprus carries on surprisingly little trade with the Middle East. Most of its trade ties are with the United Kingdom and the OEEC countries in Europe, particularly West Germany, Italy, France, the Netherlands and Austria.

The report states that the continued expansion of the industrial and commercial life of the Colony was little affected by unrest on the island or in the Middle East generally. Imports of consumer goods rose £3.5 million and demand increased for food products, building materials, plant and machinery. During the year the authorities extended facilities for imports under Open General Licence and trade in general was liberalized, especially with OEEC countries.

Order from: The United Kingdom Information Office, 119 Adelaide Street West, Toronto, Ontario.

Commerce and Industry in Tanganyika—1957

Tanganyika Department of Trade and Industry. 104 pages. $1.00 postpaid.

THIS completely new handbook contains facts and statistics about Tanganyika of special interest to those exploring the possibilities for investment there. A United Nations Trusteeship under United Kingdom administration, Tanganyika has a population of nearly 8.5 million, mainly Africans, who depend primarily on agriculture.

The handbook contains basic information on production, trade, finance, taxation, communications, and power resources, plus much general and detailed information on exports, imports and the tariff structure. The Government is most anxious to encourage light industry and in its urban planning provides industrial areas served by rail and road and supplied with water and electricity. Processing of primary commodities produced in the Territory is the dominant industry at the moment. We recommend this book as an essential for the exporter looking into trade possibilities in British East Africa and for the investor studying industrial opportunities.

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